

Shikhar Microfinance Private Limited

April 22, 2025

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|---------------------------|------------------|---------------------------------|--|
| Long-term bank facilities | 50.00 | CARE D; 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 Ratings Limited (CARE Ratings) vide its press release dated June 30, 2020, placed the rating of Shikhar Microfinance Private Limited (SMPL) under the 'issuer non-cooperating' category as SMPL failed to provide the requisite information required for monitoring of ratings as agreed to in its rating agreement. SMPL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated March 03, 2025, December 24, 2024, and December 14, 2024. According to the confirmation from banker and the audited financial results for FY2024, the company has been facing ongoing delays in servicing its scheduled debt obligations. Considering the extant SEBI guidelines, CARE Ratings has reviewed the rating based on the best available information which in CARE Ratings' opinion is not sufficient to arrive at a fair rating. Ratings on bank facilities of SMPL are denoted as CARE D, INC.

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

Ratings have been reaffirmed at CARE D; INC considering a delay in servicing debt obligations by the company per confirmation received from the bankers. CARE Ratings has not received information from the company.

Analytical approach: Standalone

Outlook: Not applicable

Detailed description of key rating drivers:

At the time of last rating on January 29, 2024, the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies):

Key weaknesses

Ongoing delays: According to the confirmation from banker and the audited results as on March 31, 2024, the company is facing ongoing delays in servicing its scheduled debt obligations.

Weak capitalisation profile: Due to continuous losses from FY19, SMPL's tangible net worth (TNW) reduced to negative to ₹17.98 crore as on March 31, 2024, from a negative ₹19.79 crore as on March 31, 2023. The company's capital adequacy ratio (CAR) fell to -16.2% as on March 31, 2024.

Diminished scale of operations: SMPL's operations diminished as it reported a nil loan portfolio as on March 31, 2024, against ₹0.22 crore as on March 31, 2023 (₹1.70 crore as on March 31, 2022).

Key strengths

Experienced promoters with long operational track record in the microfinance institution (MFI) industry:

SMPL was promoted by Satyavir Chakrapani and Vinoy Thomas. Satyavir Chakrapani is the managing director and CEO with over 16 years' experience in the development sector and microfinance initiatives providing consultations to e-governance projects and ICT initiatives in capacities including e-governance, developmental and community issues. Vinoy Thomas, SMPL's CFO, has over 14 years' experience in serving roles including working with development financial institutions in infrastructure consulting, advisory, financial modelling, and analysis.

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

Applicable criteria

[Definition of Default](#)

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

[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 |

SMPL is a micro finance institution (MFI) based out of Delhi and founded by Satyavir Chakrapani and Vinoy Thomas. In 2007, Shikhar Development Foundation (SDF) was registered as a trust under the Indian Trust Act, 1882 for its microfinance operations. In 2008, SDF's trustees formed a special purpose vehicle, Partners of Shikhar Trust (POST). In March 2009, SDF and Dia Vikas Capital Private Limited acquired the non-banking financial company (NBFC), Anup Leasing Private Limited (ALPL-NBFC, incorporated on February 16, 1993). In October 2010, ALPL was renamed Shikhar Microfinance Private Limited (SMPL) after obtaining due approvals from RBI. However, on November 12, 2013, SMPL converted to NBFC-MFI.

SMPL follows joint liability group (JLG) model where it provides financial assistance to poor women of urban and rural areas. The company provides small value collateral free loans ranging from ₹15,000 up to ₹50,000 for a tenure between 12-36 months.

| Brief Financials (₹ crore) | March 31, 2022 (A) | March 31, 2023 (A) | March 31, 2024 (A) |
|----------------------------|--------------------|--------------------|--------------------|
| Total operating income | 5.40 | 9.44 | 10.72 |
| PAT | -2.51 | 0.51 | 0.28 |
| Interest coverage (times) | -6.47 | 3.49 | 1.75 |
| Total Assets | 13.52 | 13.16 | 13.13 |
| Net NPA (%) | NA | NA | NA |
| ROTA (%) | -17.99 | 3.85 | 2.15 |

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

Status of non-cooperation with previous CRA: Not applicable

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 | - | - | - | March 2020 | 50.00 | CARE D; 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 2025-2026 | 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 |
| 1 | Fund-based - LT-Term Loan | LT | 50.00 | CARE D; ISSUER NOT COOPERATING* | - | - | 1)CARE D; ISSUER NOT COOPERATING* (29-Jan-24) | 1)CARE D; ISSUER NOT COOPERATING* (09-Nov-22) |

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

LT: Long term

Annexure-3: Detailed explanation of covenants of 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 |

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

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About us:

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