

April 28, 2023

## Share Microfin Limited: Rating withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Fund-based TL	130.11	-	[ICRA]D; Withdrawn
<b>Total</b>	<b>130.11</b>	-	

\*Instrument details are provided in Annexure I

### Rationale

The outstanding rating of [ICRA]D on the Rs. 130.11-crore bank lines programme of Share Microfin Limited (SML) has been withdrawn at the company's request as all outstanding amounts have been repaid by the company and there is no amount outstanding against the same. The bank lines are being withdrawn based on the receipt of a No Objection Certificate/No Due Certificate from the appointed trustee on behalf of lenders of the company and external auditor. This is in accordance with ICRA's policy on the withdrawal of credit ratings.

The key rating drivers, liquidity position, rating sensitivities, and key financial indicators have not been captured as the related instrument is being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#).

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">ICRA Rating Methodology for Non-banking Finance Companies</a> <a href="#">ICRA Policy on Withdrawal of Credit Ratings</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the standalone financial profile of the company

### About the company

Share Microfin Limited is a non-deposit accepting non-banking financial company-microfinance institution (ND-NBFC-MFI) incorporated as a public limited company in 1999. It provides microfinance loans to women from the weaker sections of society under the joint liability group (JLG) model. Mr. M. Udaia Kumar is the founder and Managing Director of the company. He has over 35 years of experience in the field of financial inclusion and sustainable and development financing.

SML is one of the Andhra Pradesh (AP)-based entities, which were impacted by the Andhra Pradesh Microfinance Institutions Ordinance 2010. As a result, its debt repayment abilities were impacted, and it was admitted into corporate debt restructuring (CDR). In April 2017, through a Scheme of Arrangement approved by the Hon'ble High Court of Hyderabad, the company demerged its AP portfolio into another AP-based MFI while merging the non-AP portfolio of that MFI. Subsequent to the said Scheme of Arrangement, SML was in discussions with its lenders to repay all the debt and get fresh limits, post repayment.

SML paid all the debt obligations (debt principal, interest, optionally convertible cumulative redeemable preference shares (OCCRPS), OCCRPS redemption premium) to all the lenders on March 29, 2023 via escrow account.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

	Instrument	Current Rating (FY2024)			Chronology of Rating History for the Past 3 Years		
		Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Apr-28-2023	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
					Nov-30-2022	Sep-28-2021	Jun-29-2020
1	Long term – NCD	-	-	-	-	-	Withdrawn
2	Long term – Fund-based TL	130.11	-	[ICRA]D; Withdrawn	[ICRA]D	[ICRA]D	[ICRA]D

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term – Fund-based TL	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long term – Fund-based TL	2007-2009	12-13%	March 29, 2023	130.11	[ICRA]D; Withdrawn

**Annexure II: List of entities considered for consolidated analysis – Not applicable**

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