



Press Release

Samavesh Finserve Private Limited (SFPL)

July 28 2025

Ratings

Instrument/ Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Fund Based Bank Facility – Term Loan	20.98 (Enhanced from Rs.17.55)	IVR BB /Negative Outlook (IVR Double B with Negative outlook.)	IVR BB /Negative. ISSUER NOT COOPERATIN G* (IVR Double B with Negative outlook. Issuer Not Cooperating*)	Rating Reaffirmed and removed from Issuer not Cooperating category	<u>Simple</u>
Long Term Fund Based Bank Facility – Term Loan	0.00** (Reduced from Rs. 31.60)	-	IVR BB /Negative. ISSUER NOT COOPERATIN G* (IVR Double B with Negative outlook. Issuer Not Cooperating*)	Rating Withdrawn	<u>Simple</u>
Proposed Long Term Fund Based Facility – Term Loan	29.02 (Enhanced from Rs. 0.85)	IVR BB /Negative Outlook (IVR Double B with Negative outlook.)	IVR BB /Negative. ISSUER NOT COOPERATIN G* (IVR Double B with Negative outlook. Issuer Not Cooperating*)	Rating Reaffirmed and removed from Issuer not Cooperating category	<u>Simple</u>
Total	Rs. 50.00 Rupees Fifty crore only				

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

***Withdrawn as No due certificate received from the lender*

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.



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Detailed Rationale

Infomerics Ratings has reaffirmed its ratings and removed from Issuer not Cooperating category to the bank facilities of Samavesh Finserve Private Limited (SFPL). The ratings reflect the company's experienced and professional management as well as its comfortable capitalization. However, the ratings are constrained by several factors including limited operational track record, concentrated business model with exposure to a relatively high-risk borrower segment coupled with decline in operational scale and profitability, poor asset quality.

The bank facilities aggregating to INR 31.60 crore are being fully repaid and No due Certificate has been received from the banker. The rating is withdrawn in accordance with Infomerics policy on withdrawal and as requested by the company.

Infomerics Ratings has given a negative outlook reflects the deterioration in asset quality during FY25, which has led to elevated credit costs and a moderation in profitability. It also factors in SFPL's exposure to a relatively high-risk borrower segment and the concentration of its portfolio in specific geographies.

Key Rating Sensitivities:

Upward Factors

- Substantial and sustained scaling up its operations and diversifying its loan portfolio geographically, while maintaining healthy asset quality indicators, comfortable capital position and liquidity

Downward Factors

- Substantial deterioration in operations impacting capital position, liquidity, and profitability.
- Adverse movements in collection efficiency impacting asset quality of the company.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced and professional management**

SFPL is managed by six board of directors, headed by Mr. Shiv Kumar Agrawal (MD). All the directors are well-versed in the intricacies of microfinance and NBFC business operations. The day-to-day affairs are handled by Mr. Shiv Kumar Agrawal along with Mr.



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Rajesh Mishra (Director & CEO), who has around three decades of experience in auditing, banking, and the MFI sector. Additionally, all governing body members are well-acquainted with the complexities of microfinance and NBFC operations. SFPL has implemented robust tracking and MIS systems, which are sufficient to support future growth and expansion. The company has also established monitoring systems to ensure that credit bureau checks and loan utilization checks are conducted in all cases. Furthermore, it has made significant investments in technology to ensure the real-time availability of collection data, e-verification of customer details, and cashless disbursements.

- **Comfortable capitalization**

SFPL's overall CRAR stood comfortably at 33.02% in FY25 (Prov) (compared to 21.55% in FY24), which is well above the regulatory requirement of 15%, providing the company with sufficient headroom to continue its growth and further expand its portfolio. The improvement in CRAR has been primarily attributed to a reduction in risk-weighted assets (RWA) during FY25, rather than from any fresh capital infusion. The decline in AUM during the period contributed to the reduction in RWA. Further, the tangible net worth of the company declined to Rs.12.51 crore in provisional FY25 from Rs. 15.41 crore in FY24, mainly due to losses reported during the year. Infomerics Rating expects SFPL's CRAR is expected to remain comfortable, supported by current leverage and moderate growth in AUM.

Key Rating Weaknesses

- **Limited Operational Track Record and Concentrated Business Model; Exposure to Relatively High-Risk Borrower Segment**

SFPL has a relatively short operational track record, having commenced its operations in February 2020, and thus has just over five years of business history. Given this limited track record, the company's loan portfolio remains less seasoned, which restricts visibility in its long-term asset quality performance. Additionally, product diversification remains limited, with the company's lending activity currently focused solely on the microfinance segment. The concentration in unsecured lending to a marginal borrower profile exposes the company to heightened credit, political, and operational risks that are inherent to the microfinance sector. These risks can potentially lead to greater volatility in asset quality metrics, especially during periods of economic or policy disruptions.



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Furthermore, SFPL's AUM witnessed a decline in FY25, primarily due to a pause in disbursements. The company's ability to maintain asset quality across economic cycles, particularly in the absence of portfolio diversification, remains a key rating monitorable.

- **Decline in Operational Scale and Sustained Pressure on Profitability Metrics**

SFPL's total operating income declined by 13.56% to Rs. 15.49 crore in FY25(Prov) compared to FY24, reflecting the impact of lower business volumes during the year. The NII also moderated to Rs. 4.98 crore in FY25 (provisional), from Rs. 6.17 crore in FY24. Consequently, the NIM registered a slight decline to 10.19% in FY25 (Prov) from 11.06% in FY24. The company reported a net loss of Rs. 2.86 crore in FY25 (Provisional), against a net profit of Rs. 0.91 crore in FY24. This reversal in profitability was primarily driven by higher slippages, which impacted asset quality and resulted in elevated credit costs. Additionally, the overall income was affected by a contraction in AUM, as the SFPL adopted a cautious lending stance in response to sector-wide stress and increased risk perception within the microfinance segment. Lower disbursements during the year further contributed to the decline in AUM and income. Going forward, SFPL's ability to revive business volumes, improve asset quality, and restore profitability will remain key monitorable factors going forward.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Financial Institutions/NBFCs](#)

[Criteria for assigning Rating outlook.](#)

[Complexity Level of Rated Instrument/Facilities](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Financial Ratios & Interpretation \(Financial Sector\)](#)

[Policy on Withdrawal of Ratings.](#)

Liquidity – Adequate

Considering the scale of operations as on March 31, 2025, SFPL is well-capitalized with a CRAR of 33.02%. The company has maintained an adequately matched asset-liability profile as of March 31, 2025, indicating sound liquidity and risk management practices. As of March 31, 2025, SFPL had cash and cash equivalents amounting to Rs. 0.36 crore, supporting its short-term liquidity position. However, the tangible net worth of the company declined to



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₹12.51 crore in Provisional FY25 from ₹15.41 crore in FY24, mainly due to the losses reported during the year. The CRAR is expected to remain comfortable, supported by the company's current leverage position and a strategy of moderate growth in Assets Under Management (AUM).

About the Company

Samavesh Finserve Private Limited (SFPL) is a Non-Banking Financial Company – Microfinance Institution (NBFC-MFI) registered under Reserve Bank of India (RBI). It started its microfinance on-lending operation in February 2020 with its head office in Varanasi, by providing small ticket size loan to the poor woman in rural and semi-urban area through Joint Liability Group (JLG) based system. SFPL is now working with 50 plus branches spread over 24 districts in 6 like Uttar Pradesh, Bihar, Jharkhand etc, where they provide services to more than 29,000 members. Besides direct lending, the company also entered-into Business Correspondence (BC) business model with three NBFCs.

Financials (Standalone):

	(Rs. crore)	
For the year ended* / As on	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	17.91	15.49
PAT	0.91	(2.86)
Tangible Net worth	15.41	12.51
Total Loan Assets (including off book)	90.84	57.68
Ratios		
NIM (%)	11.06	10.19
ROTA (%)	1.34	(4.72)
Interest Coverage (times)	1.14	0.59
Total CRAR (%)	21.55%	33.02%
Gross NPA [Stage III] (%)	1.55%	10.05%
Net NPA [Stage III] (%)	0.42%	6.41%

** Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating History for last three years:



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Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-25)				Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Rating (April 04, 2025)	Date(s) & Rating(s) assigned in 2023-24 (February 28, 2024)	Date(s) & Rating(s) assigned in 2022-23 (Dec 30, 2022)	Date(s) & Rating(s) assigned in 2021-22
1.	Long Term Fund Based Bank Facility – Term Loan	Long Term	20.98	IVR BB /Negative Outlook &	IVR BB /Negative. ISSUER NOT COOPERATING	IVR BB+/ Stable	IVR BB/ Stable	-
2.	Long Term Fund Based Bank Facility – Term Loan	Long Term	0.00	-	IVR BB /Negative. ISSUER NOT COOPERATING	IVR BB+/ Stable	IVR BB/ Stable	-
4.	Proposed Long Term Fund Based Facility – Term Loan	Long Term	29.02	IVR BB /Negative Outlook	IVR BB /Negative. ISSUER NOT COOPERATING	IVR BB+/ Stable	IVR BB/ Stable	-

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

***Withdrawn as No due certificate received from the lender*

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About Infomerics:



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Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit <http://www.infomerics.com/>.

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Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISI N	Date of Issuan ce	Coupo n Rate/ IRR	Maturity Date	Listing Status	Size of Facility (Rs. Crore)	Rating Assign ed/ Outloo k
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Dec-25	-	1.49	IVR BB /Negativ e Outlook



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Name of Facility/ /Security	ISI N	Date of Issuan ce	Coupo n Rate/ IRR	Maturity Date	Listing Status	Size of Facility (Rs. Crore)	Rating Assign ed/ Outloo k
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Jan-26	-	0.26	IVR BB /Negativ e Outlook
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Sep-25	-	0.31	IVR BB /Negativ e Outlook
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Jul-26	-	0.44	IVR BB /Negativ e Outlook
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Aug-25	-	0.28	IVR BB /Negativ e Outlook
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Dec-25	-	2.96	IVR BB /Negativ e Outlook
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Jun-25	-	0.35	IVR BB /Negativ e Outlook
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Jul-25	-	0.22	IVR BB /Negativ e Outlook
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Nov-25	-	0.47	IVR BB /Negativ e Outlook
Long Term Fund Based Bank Facility – Term	-	-	-	Aug-25	-	0.50	IVR BB /Negativ e Outlook



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Name of Facility/ /Security	ISI N	Date of Issuan ce	Coupo n Rate/ IRR	Maturity Date	Listing Status	Size of Facility (Rs. Crore)	Rating Assign ed/ Outloo k
Loan							
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Feb-26	-	1.37	IVR BB /Negativ e Outlook
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Feb-26	-	0.89	IVR BB /Negativ e Outlook
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Aug-25	-	0.69	IVR BB /Negativ e Outlook
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Feb-26	-	0.83	IVR BB /Negativ e Outlook
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Mar-27	-	0.66	IVR BB /Negativ e Outlook
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Mar-26	-	2.26	IVR BB /Negativ e Outlook
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Sep-25	-	0.30	IVR BB /Negativ e Outlook
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Oct-25	-	0.58	IVR BB /Negativ e Outlook
Long Term Fund	-	-	-	Dec-25	-	2.22	IVR BB /Negativ



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Name of Facility/ /Security	ISI N	Date of Issuan ce	Coupo n Rate/ IRR	Maturity Date	Listing Status	Size of Facility (Rs. Crore)	Rating Assign ed/ Outloo k
Based Bank Facility – Term Loan							e Outlook
Long Term Fund Based Bank Facility – Term Loan	-	-	-	Nov-26	-	3.90	IVR BB /Negativ e Outlook
Proposed Long Term Fund Based Facility – Term Loan	-	-	-		-	29.02	IVR BB /Negativ e Outlook

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-Samavesh-Finserve-jul25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.