



Press Release
GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED.
January 09, 2025
Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	60.00	ACUITE BB Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	60.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

* The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB**' (read as **ACUITE double Bf**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs. 60.00 Cr. Bank Loan Facilities of Grameen Shakti Microfinance Services Private Limited. The rating is now flagged as “Issuer Not-Cooperating” and is based on the best information available. The downgrade is on account of information risk.

About the Company

West Bengal based Grameen Shakti Microfinance Services Private Limited (GSMPL) is a non-deposit taking NonBanking Financial Company – Micro Finance Institution (NBFC-MFI). The company is promoted by Mr. Ganesh Chandra Modak. Mr. Modak has been engaged in micro financing activities since 2004 when he established a society named Society for Model Grambikash Kendra for the social welfare and development along with microfinancing activities. In 2016, he then acquired an existing NBFC Srija Chemo Private Limited and renamed it to Grameen Shakti Microfinance Services Private Limited. GSMPL extends micro-credit primarily to women borrowers through Joint Liability Group (JLG) model. The company operates in the states of West Bengal, Bihar and Jharkhand through a network of 32 branches across 17 districts as on July 31, 2023.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as “Issuer not-cooperating”, in line with prevailing SEBI regulations and Acuite’s policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials:

Particulars	Unit	FY24 (Actual)	FY23 (Actual)
Total Assets	Rs. Cr.	66.87	68.41
Total Income*	Rs. Cr.	9.44	7.23
PAT	Rs. Cr.	1.95	1.62
Net Worth	Rs. Cr.	19.79	15.86
Return on Average Assets (RoAA)	(%)	2.88	2.56
Return on Average Net Worth (RoNW)	(%)	10.94	10.99
Total Debt/Tangible Net worth (Gearing)	Times	2.25	3.17
Gross NPA	(%)	0.84	0.41
Net NPA	(%)	0.21	0.20

**Total income equals to Net Interest Income*

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 Oct 2023	Proposed Long Term Bank Facility	Long Term	15.00	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	15.33	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	1.23	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	3.35	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	4.40	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	1.94	ACUITE BB+ Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	18.75	ACUITE BB+ Stable (Assigned)
15 Mar 2023	Proposed Long Term Bank Facility	Long Term	15.00	ACUITE BB+ Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.75	Simple	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	27 Feb 2026	15.33	Simple	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2024	1.23	Simple	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	16 Jul 2026	3.35	Simple	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2024	4.40	Simple	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2024	1.94	Simple	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)

* The issuer did not co-operate; based on best available information.

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Nattasha Venkatesh Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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