



## RATING RATIONALE

17 Jan 2023

### Kiara Microcredit Pvt. Ltd.

**Brickwork Ratings downgrades the rating for the Bank Loan Facilities of Rs. 25 Crs. of Kiara Microcredit Pvt. Ltd. based on best available information, as the Issuer did not Cooperate.**

#### Particulars:

Instrument **	Amount (Rs Cr)		Tenure	Rating*	
	Previous	Present		Previous (Dec, 2021)	Present
Bank Loan (Fund Based)	25.00	<b>25.00</b>	Long Term	BWR BB/Stable (Reaffirmed)	<b>BWR BB-/ Stable/ ISSUER NOT COOPERATING*/ Downgraded</b>
<b>Total</b>	25.00	<b>25.00</b>	<b>Rupee Twenty Five Crores Only</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for the definition of the ratings

\*\*Details of Bank loan facilities in Annexure-I

# Issuer did not cooperate, based on best available information

#### RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION:

Brickwork Ratings (BWR) downgrades the rating of Bank loan facilities of Rs.25 Crs. to BWR BB-/Stable/ ISSUER NOT COOPERATING of Kiara Microcredit Pvt. Ltd. (KMPL), as tabulated above. Despite BWR's best efforts to obtain at least the minimum required information for a rating review, the Company has not provided the same. In absence of adequate information received from the Company and continued lack of cooperation, BWR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating. Based on inadequate information; lack of cooperation, BWR downgrades the rating of the Bank Loan to 'BWR BB-/ Stable/migration to Issuer Not Cooperating, based on the best available information.

#### LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. The current rating action has been taken on the basis of the limited information on the issuer's performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as it may not adequately reflect the credit risk profile of the society, despite the downgrade.



## ABOUT THE COMPANY

Company's Background: Kiara MicroCredit Pvt Ltd ('KMPL' or 'Company')- Incorporated in 2016, is a NBFC into micro-lending activities to self-help groups and poor women in rural Tamil Nadu. The company follows a Joint Liability Group model and strives towards poverty alleviation. It has presence in the states of Odisha, Tamil Nadu & Kerala. Kiara is promoted by Mr. Avinash G, Mr. Sankar V and Mr Gokul G. who have experience in the microfinance sector.

## KEY FINANCIAL INDICATORS (Latest available with BWR)

Brief Financials		March 2020 (Audited)	March 2021 (Audited)
Total Income	Rs Crs	240.15	257.63
PAT	Rs Crs	101.22	87.29
Net Worth	Rs Crs	352.08	420.79
Gearing	Times	3.72	3.01
AUM	Rs Crs	10682.62	8539.21

**Note:** Financials not available post FY 21.

**NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY : Nil**

**ANY OTHER INFORMATION : Nil**

## RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

S.No	Instrument	Current Rating FY23			Rating History		
		Type	Amount (Rs Crs)	Rating	2022	2021 20-Dec-21	2020 14-Oct-20
1	Fund Based	Long Term	25	BWR BB-/Stable/ ISSUER NOT COOPERATING / Downgraded*	Nil	BWR BB/Stable (Reaffirmed)	BWR BB/Stable (Assigned)
<b>Total</b>			<b>25</b>	Rupees Twenty Five Crores Only			

\*Issuer did not cooperate, based on best available information

## COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple

[For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

## Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Banks and Financial Institutions](#)

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**Kiara Microcredit Private Limited**  
**ANNEXURE I**  
**Details of Bank Loan Facilities rated by BWR**

Sl. No.	Name of the Bank	Type of Facilities	Long Term (Rs. Crs.)	Short Term (Rs. Crs.)	Total (Rs. Crs.)
1	Bank of Baroda	Term Loans	10.00	-	10.00
2	Proposed Bank Loans	Term Loans	15.00	0.00	15.00
<b>Rupees Twenty Five Crores Only</b>					<b>25.00</b>

**ANNEXURE II**

**INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS: NA**

**ANNEXURE III List of entities consolidated: NA**



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