

## Share India Fincap Private Limited

October 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	50.00	CARE A-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Reaffirmation of the rating for bank facilities of Share India Fincap Private Limited (SIFPL) factors in its strong linkages with Share India Securities Limited (SISL), promoters' experience, and its comfortable capital position for the current scale of operations. The rating is constrained by the company's limited track record in its present product segments and its modest scale of operations. CARE Ratings Limited (CareEdge Ratings) has also noted the rise in credit cost due to weaker asset quality in FY25, which has impacted SIFPL's earnings profile. With ongoing stress in the microfinance segment, SIFPL's ability to grow its portfolio and earnings while controlling credit cost will remain a key monitorable.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Substantial growth in the loan portfolio while maintaining asset quality.
- Significant improvement in the credit profile of the parent.

#### Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Reduced linkage with SISL or significant deterioration in the credit profile of parent.
- Significant deterioration in the capitalisation profile of SIFPL with gearing rising above 4x.

### Analytical approach: Standalone

CareEdge Ratings has analysed the standalone credit profile of SIFPL and also factored in its operational and financial linkages with SISL, which has 100% shareholding in SIFPL.

### Outlook: Stable

The stable outlook factors in CareEdge Ratings' expectation that SIFPL will be able to scale up its operations while improving asset quality from the current levels.

### Detailed description of key rating drivers:

#### Key strengths

#### Strategic subsidiary of Share India Group led by seasoned promoters

SIFPL is a wholly owned subsidiary of SISL, which operates across segments including share broking, proprietary trading (arbitrage-based), and trading in equities, futures and options, and currency derivatives. SISL also offers services as a depository participant, research analyst, and mutual fund advisor/distributor.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

There are strong operational ties between SIFPL and SISL, evident through shared brand name, office infrastructure, overlapping directorships, and a common treasury team. SISL is promoted by Parveen Gupta, Rajesh Gupta, and Sachin Gupta, who bring extensive experience in capital markets.

SIFPL has become increasingly strategic for SISL, especially as it expands its lending portfolio. The company plays role in meeting the borrowing needs of SISL's institutional broking clients, leveraging group synergies effectively. SIFPL received financial support from SISL and its promoters in the form of debt capital whenever required.

The parent company ensures that SIFPL is managed responsibly, maintaining its ability to meet financial obligations on time. CareEdge Ratings anticipates continued backing from SISL to support SIFPL's growth trajectory.

### **Comfortable capitalisation levels for current scale of operations**

The company's capital profile remained comfortable with an overall capital adequacy ratio (CAR) of 44.02% as on March 31, 2025. On the same date the tangible net worth stood at ₹123 crore an increase of ₹10 crore in FY25 considering internal accruals. It further grew to ₹124 crore as on June 30, 2025. On the gearing front, it improved to 1.20x as on March 31, 2025, from 1.47x as on March 31, 2024. This was considering flat assets under management (AUM) growth over FY25, which resulted in decline in borrowings and improvement in net worth. In Q1FY26, the gearing increased to 1.56x in line with growth in the company's lending book. CareEdge Ratings has taken note of the equity infusion made by SISL in SIFPL of ₹50 crore in Q2FY26, which has further strengthened SIFPL's capitalisation profile. With this SIFPL is expected to maintain an overall gearing below one time in the medium term.

### **Key weaknesses**

#### **Limited track record with modest scale of operations**

SIFPL commenced its lending operations in 1996 with a focus on vehicle financing. Over the years, the company transitioned to Women Entrepreneurship Loans (WEL), targeting borrower segments similar to those served by microfinance institutions. Currently, SIFPL's lending portfolio comprises WEL, business loans, and infrastructure loans, with the latter being a recent addition. These products are primarily extended to institutional clients and customers of group entities, enabling effective utilisation of group synergies.

While the company has completed multiple lending cycles in WEL and business loans and built a base of repeat borrowers, its overall track record in these segments remains relatively limited. The infrastructure loan segment is still in its early phase, with the company yet to complete a full credit cycle.

As on March 31, 2025, SIFPL's AUM stood at ₹260 crore. The portfolio remained flat in FY25, largely due to a contraction in the WEL segment. This decline was driven by stress in the microfinance sector, particularly borrower overleveraging, prompting SIFPL to adopt a cautious approach focused on asset quality. The WEL book reduced from ₹172 crore in March 2024 to ₹117 crore in March 2025, and further to ₹110 crore by June 30, 2025.

Despite this, the overall loan book expanded to ₹301 crore as of Q1 FY26, supported by growth in business and infrastructure loans. However, the portfolio size continues to be modest. CareEdge Ratings expects the business and infrastructure loan segments to remain key drivers of portfolio growth in the near term, with WEL contributing once sectoral stress stabilises.

## Uptick in the credit cost resulting in moderation in the earnings profile

Due to stress in the microfinance segment, particularly from borrower overleveraging, the company faced challenges in its WEL portfolio, which forms a major part of its AUM. Gross non-performing assets (GNPA) rose from 4.50% as on March 31, 2024, to 6.39% as on March 31, 2025. As a result, credit cost increased to 5.07% of average total assets in FY25, compared to 3.15% in FY24. Business activity also slowed in FY25, leading to a 25% fall in total income from ₹82 crore in FY24 to ₹62 crore in FY25. Along with the higher credit cost and increased operating expenses, this further affected performance, causing profit after tax (PAT) to drop by 69%, from ₹33 crore in FY24 to ₹10 crore in FY25.

In Q1FY26, the company reported total income of ₹16 crore and PAT of ₹1 crore, while credit cost rose further to 6.94%. The GNPA stood at 4.96% as on June 30, 2025, showing a slight improvement from March 2025.

CareEdge Ratings has taken note of the corrective steps and improved collection efforts by the company to improve asset quality but expects credit cost to remain elevated in the current fiscal, resulting in moderate profitability growth.

### Liquidity: Adequate

SIFPL maintains an adequate liquidity profile, with a cash and bank balance of ₹17.62 crore as on June 30, 2025. Over the next three months, the company expects inflows of ₹44.05 crore, while its scheduled debt repayments amount to ₹15.44 crore in the same period.

Ratings do not factor in rating-related trigger clauses per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades.

### Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[Rating Outlook and Rating Watch](#)

[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	Non banking financial company (NBFC)

SIFPL was incorporated on December 24, 1996, under the Companies Act, 1956. The company is an Investment & Credit Company (NBFC-ICC). The company is a wholly owned subsidiary of SISL which holds 100% of paid-up share capital. SIFPL offers women entrepreneurship loans (WEL) which are based on joint liability group model (JLG) model and the target borrowers have an annual household income in the range of ₹3 Lakh to ₹5 Lakh. The average ticket size is ₹45,000 for WEL loans. WEL are extended to women entrepreneurs in tier 3 cities and rural areas. These loans are based on JLG model. These loans have ~47,500 clients offered by a network of 81 branches operating in Uttar Pradesh, Punjab, Haryana, Bihar, Madhya Pradesh and Orissa. SIFPL has also started business and infrastructure loan and are provided to the institutional broking clients and relatives among the Share India group.

**Standalone Financials of Share India Fincap Private Limited:**

Brief Financials (₹ crore)	31-03-2024 (A)	31-03-2025 (A)	Q1FY25 (UA)
Total income	83	62	16
PAT	33	10	1
Interest coverage (times)	4.13	2.10	NA
Total assets	280	274	321
Net NPA (%)	0.94	4.96	3.01
ROTA (%)	15.83	3.65	1.93*

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

\*Annualised

**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		-	-	31-01-2026	50.00	CARE A-; Stable

**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 A-; Stable	-	1)CARE A-; Stable (09-Oct-24)	1)CARE BBB-; Stable (22-Dec-23)	1)CARE BB+; Stable (07-Dec-22)

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:** CareEdge 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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