

July 14, 2022

## Satya MicroCapital Ltd.: Long-term ratings reaffirmed and outlook revised to Positive; Rating withdrawn for Rs. 15-crore market linked debenture

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Bank facilities (LT – Fund based)	650.00	650.00	[ICRA]BBB; reaffirmed and outlook revised to Positive from Stable
NCD programme	421.50	421.50	[ICRA]BBB; reaffirmed and outlook revised to Positive from Stable
Tier II Bonds programme	25.00	25.00	[ICRA]BBB; reaffirmed and outlook revised to Positive from Stable
Subordinated debt programme	80.00	80.00	[ICRA]BBB; reaffirmed and outlook revised to Positive from Stable
Market linked debenture (MLD)	20.00	20.00	PP-MLD [ICRA]BBB; reaffirmed and outlook revised to Positive from Stable
MLD	15.00	-	PP-MLD [ICRA]BBB; reaffirmed and outlook revised to Positive from Stable and simultaneously withdrawn
<b>Total</b>	<b>1,211.50</b>	<b>1,196.50</b>	

\*Instrument details are provided in Annexure I

In addition to the above instruments, ICRA has a rating outstanding on SML's pooled loan issuance (PLI) programme; refer to link [here](#)

### Rationale

The revision in the outlook reflects ICRA's opinion that Satya MicroCapital Ltd. (SML) will continue to grow its scale of operations, supported by its demonstrated ability to raise funds (debt and equity), and improve its profitability with the expected increase in the yields in the current fiscal. ICRA notes that the current profitability, though moderate, has been improving on a quarter-on-quarter (QoQ) basis over the last few quarters with the trend expected to continue going forward. The company's ability to profitably scale up its operations while maintaining a prudent capitalisation profile and gearing level would be critical.

The ratings continue to factor in SML's board and senior management team, with diversified experience across the microlending space and banking, financial services, and insurance (BFSI) operations. This, coupled with regular equity infusions by its shareholders, has helped the company grow its assets under management (AUM), while maintaining an adequate capitalisation profile. Nevertheless, ICRA notes that the performance of the recently generated portfolio remains monitorable, as ~30% of its AUM, as on March 31, 2022, was disbursed in March 2022 and more than 70% of its borrowers are in Cycle 1, i.e. no track record with SML.

The ratings also factor in the company's diversified borrowing profile, comprising loans from banks {36% including loans from small finance banks (SFB)}, non-banking financial companies (NBFCs)/financial institutions (FIs; 15%), non-convertible debentures (NCDs; 23%) and securitisation (including direct assignment (DA); 25%) as on March 31, 2022. Further, the ratings factor in the healthy geographical diversification of SML's AUM with a presence in 21 states/Union Territories (UTs).

The ratings are, however, constrained by SML's weakened asset quality on account of the Covid-19 pandemic-led disruptions. SML reported gross non-performing assets (GNPAs) of 3.3% as on March 31, 2022 compared to 1.5% as on March 31, 2021. In addition, it had an outstanding restructured book of around Rs. 161 crore (5.6% of its AUM) as on March 31, 2022, of which a sizeable part is overdue. SML's ability to arrest further slippages and recover from its overdue and restructured accounts would remain a monitorable. The ratings also factor in the company's weak profitability profile, though the same has been improving over the last few quarters with ICRA expecting further improvement in FY2023. ICRA notes that with the change in the

regulations for the microfinance industry, the cap on the rate of interest has been removed by the Reserve Bank of India (RBI). This provides a cushion to microfinance institutions (MFIs), including SML, to improve the spread and hence the profitability. However, the company's ability to improve its operational efficiency and contain its credit cost shall remain key for its financial profile.

The ratings also factor in the risks associated with unsecured lending and the political and operational risks associated with microlending. SML also faces prepayment risk, given the possibility of debt acceleration upon the breach of covenants, including financial, operating and rating-linked covenants. Upon failure to meet the covenants, if the company is unable to get waivers from the lenders/investors or the lenders/investors do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the ratings would face pressure. Nevertheless, ICRA notes that the company has been able to raise fresh funds, despite covenant breaches in the last 1-2 years.

ICRA has reaffirmed the rating, revised the outlook and simultaneously withdrawn the rating on the Rs. 15-crore market linked debenture as the same has been repaid on maturity by the company and there is no amount outstanding against the same. The rating has been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings.

## Key rating drivers and their description

### Credit strengths

**Robust growth in portfolio and geographically diversified operations** – SML's AUM grew by ~95% in FY2022 to Rs. 2,884 crore<sup>1</sup> as on March 31, 2022 from Rs. 1,476 crore as on March 31, 2021. The growth was supported by timely fund-raising in the form of capital and debt. SML reported all-time high disbursements of Rs. 859 crore in March 2022 (approximately 30% of its AUM as on March 31, 2022). However, it saw a moderation in disbursements in Q1 FY2023, as it took some time to upgrade its systems and train its staff to meet the various operational requirements under the revised regulations, including household-level income and debt obligation assessment. Disbursements are expected to pick up in the remainder of the fiscal and SML is expected to witness a healthy growth in its AUM.

SML's operations are well diversified with a presence across 228 districts in 21 states/UTs as on March 31, 2022 with Uttar Pradesh (UP) accounting for the largest share of the AUM at ~21% as on March 31, 2022, followed by Bihar (16%), Punjab (9%), Haryana (8%), and Rajasthan (7%). The balance 39% is accounted for by the 16 other states/UTs.

**Strong net worth and adequate leverage supported by timely capital infusions** – SML reported a net worth of ~Rs. 552 crore as on March 31, 2022 compared to ~Rs. 404 crore as on March 31, 2021. This was largely supported by an equity infusion of ~Rs. 113 crore from Gojo & Company, Inc. (Gojo) in FY2022. SML's capital adequacy ratio (CAR) stood at 22.95% as on March 31, 2022 compared to 34.62% as on March 31, 2021. Its managed gearing<sup>2</sup> was 4.8 times as on March 31, 2022 vis-à-vis 3.1 times as on March 31, 2021. ICRA notes that SML was able to raise further capital of Rs. 54.57 crore in Q1 FY2023 and plans to raise additional capital in the near term, which shall provide support to its growth plans.

**Well-diversified funding profile** – SML's funding mix is diversified with the company having relationships with various lenders including banks (public sector/private/SFBs). Banks (including SFBs) accounted for nearly 36% of the borrowing mix as on March 31, 2022 while NBFCs/FIs accounted for ~15%. Its funding is also sourced through diversified arrangements, including NCDs (23%) and the securitisation route (including DA; 25%).

**Experienced board and management team** – SML's management team, led by Mr. Vivek Tiwari {promoter, Managing Director (MD), Chief Executive Officer (CEO) and Chief Information Officer (CIO)}, is experienced in the microfinance and retail lending space. The company has a stable information technology (IT) infrastructure with the real-time tracking of field-level data pertaining to the borrowers, districts and branches. This is supported by a strong management information system (MIS) with web-based and mobile-based functionality allowing the integration of the field operations and providing effective business

<sup>1</sup> As per IGAAP

<sup>2</sup> Managed gearing = (on-book debt + off-book portfolio) / Net worth

oversight to the senior management. The risk management functions are active in tracking stressed areas and recommending corrective action, if required, and the internal audit function is active in the form of compulsory branch and borrower audit.

The board members come from diverse backgrounds and provide a healthy mix of experience in the BFSI industry. Further, the members of the senior management team have more than a decade of experience in their respective domains.

### Credit challenges

**Asset quality weakened due to Covid-19; performance of overdue and restructured book remains monitorable** – SML's overall asset quality indicators have weakened due to the impact of the pandemic, with GNPA of 3.3% as on March 31, 2022 compared to 1.5% as on March 31, 2021. ICRA notes that the delinquencies had increased significantly during the year because of second wave of the pandemic, however, the company reported sequential improvement in delinquencies in Q4 FY2022 and the 0+ days past due (dpd) declined to 7.0% as on March 31, 2022 from 11.9% as on December 31, 2021. The company also had an outstanding restructured book of Rs. 161 crore 5.6% of its AUM) as on March 31, 2022, of which a sizeable part is overdue. ICRA expects further slippages from the restructured book in the near term, which might lead to additional credit costs/losses. ICRA also notes that SML reduced its provision coverage ratio (PCR) on GNPA's to ~25% in March 2022 from ~58% in March 2021, which kept its credit cost relatively low in FY2022. The reduction in the PCR was on account of the company's expected credit loss (ECL) model designed under the guidance of an external consultant.

**Weak profitability indicators; expected to improve going forward** – SML reported a net profit of Rs. 32.5 crore in FY2022, translating into a return on average managed assets (ROMA) of 1.2% and a return on average net worth (RoNW) of 6.8% vis-à-vis Rs. 10.2 crore, 0.7% and 3.5%, respectively, in FY2021. Though the company witnessed compression in the spread in FY2022, leading to a lower net interest margin (NIM), its overall profitability improved on account of the lower credit cost of 0.6% of average managed assets (AMA) against 1.7% in FY2021. SML's operating expenses/AMA remained relatively higher at 6.3% in FY2022, as the management plans to expand the scale while opening new branches and increasing the field staff strength. ICRA expects the operating efficiency to improve gradually, while the expected yield improvement in FY2023 should help the company witness an improvement in its profitability in FY2023.

**Ability to manage political, communal and other risks in microfinance sector** - The microfinance industry is prone to socio-political and operational risks, which could negatively impact its operations and thus its financial position. However, SML's geographically diversified portfolio mitigates these risks to some extent as these issues are largely region specific, so far. SML's ability to onboard borrowers with a good credit history, recruit and retain employees and maintain/enhance the geographical diversity of its portfolio would be relevant for managing high growth rates.

**Marginal borrower profile with limited ability to absorb income shocks** – The ratings factor in the risks associated with the marginal borrower profile, unsecured lending, increased risks from multiple lending and overleveraging, business and political risks, along with the challenges associated with a high pace of growth and attrition. While access to credit bureaus and the regulatory ceiling on borrower indebtedness have reduced concerns on overleveraging and multiple lending, issues related to the policy of MFIs regarding the inclusion of entities for calculating borrower leverage, multiple identity proof as well as gaps in the information available with the bureaus remain.

### Liquidity position: Adequate

As on May 31, 2022, SML had an unencumbered cash and liquid balance of around Rs. 142 crore {excluding fixed deposits (FDs) towards overdrafts (ODs)} and unavailed sanctions of ~Rs. 132 crore to meet its debt obligations (including interest; excluding ODs against FDs) of ~Rs. 979 crore over the next 12 months along with collections (including interest) due of ~Rs. 1,267 crore over the same time frame. SML's ability to maintain its refinancing ability shall remain key for its growth target and liquidity profile.

## Rating sensitivities

**Positive factors** – ICRA could upgrade SML's ratings if it is able to improve its profitability (RoMA > 2.5%) while maintaining the asset quality and keeping the managed gearing below 5.0 times on a sustainable basis.

**Negative factors** – Pressure on SML's ratings or outlook could arise if its managed gearing increases to more than 6.0 times on a sustained basis. Pressure could also be seen in case of a steady weakening in the liquidity profile or a significant deterioration in the asset quality, impacting its profitability.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">ICRA's methodology for non-banking finance companies</a> <a href="#">ICRA's policy on withdrawal of credit rating</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

## About the company

Satya MicroCapital Ltd. (formerly known as TFC Finvest Limited) is a Delhi-based NBFC, which was incorporated in 1995. SML started its microfinance operations in November 2016 by adopting the joint liability group (JLG) model with a fortnightly collection cycle. The company primarily offers JLG loans with ticket sizes in the median range of Rs. 25,000-Rs. 75,000, and individual microloans with ticket sizes in the range of Rs. 45,000-Rs. 80,000 at interest rates of 21-26% (currently 24.4% on MFI loans), along with a processing fee of 1.5% for JLG loans and 3% for individual loans. SML primarily focusses on lending to women (husbands/sons above 18 years of age act as nominees) aiming to start a new business or enhance an existing business. As on March 31, 2022, the operations were spread geographically in 228 districts across 21 states/UTs.

In FY2022, the company reported a profit after tax (PAT) of Rs. 33 crore (Rs. 10 crore in FY2021) on AUM of Rs. 2,884 crore as on March 31, 2022 (Rs. 1,476 crore as on March 31, 2021).

## Key financial indicators (audited; Ind AS)

Satya Microcapital Ltd.	FY2020	FY2021	FY2022
Total income	208.6	267.2	401.5
Profit after tax	7.4	10.2	32.5
Net worth	171.8	404.4	552.3
Gross AUM (IGAAP valuation)	1,007.9	1,476.2	2,884.0
Return on average managed assets	0.7%	0.7%	1.2%
Return on average net worth	5.8%	3.5%	6.8%
Gearing (on-book)	5.4x	2.8x	4.2x
Gross NPA	1.6%	1.5%	3.3%
Net NPA	0.6%	0.6%	2.5%
Solvency (Net stage 3/Net worth)	3.0%	2.0%	11.6%
CRAR	25.5%	34.6%	23.0%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding as on May 31, 2022 (Rs. crore)	Current Rating (FY2023)			Chronology of Rating History for the Past 3 Years																				
				Date & Rating in FY2023			Date & Rating in FY2022										Date & Rating in FY2021					Date & Rating in FY2020					
				Jul-14-2022	May-17-2022	Apr-19-2022	Mar-28-2022	Mar-24-2022	Mar-7-2022	Jan-25-2022	Dec-09-2021	Nov-22-2021	Oct-20-2021	Jun-18-2021	Jun-11-2021	Apr-22-2021	Mar-23-2021	Dec-21-2020	Jul-21-2020	May-11-2020	Apr-14-2020	Mar-23-2020	Sep-18-2019	Aug-22-2019	Jul-9-2019	May-3-2019	Apr-1-2019
NCD Programme	Long Term	40	40	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	
CP programme	Short Term	-	-	-	-	-	-	-	-	-	-	-	[ICRA]A3+; withdrawn	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+; assigned (enhancement in amount)	[ICRA]A3	[ICRA]A3	[ICRA]A3	[ICRA]A3	[ICRA]A3	[ICRA]A3	[ICRA]A3	[ICRA]A3	[ICRA]A3; assigned (enhancement in amount)	[ICRA]A3
NCD Programme	Long Term	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	[ICRA]BBB (Stable); withdrawn	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
Term Loan	Long Term	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Provisional [ICRA]BBB+(CE)(Stable); withdrawn	Provisional [ICRA]BBB+(CE)(Stable); assigned	-	-	-	-	-	-	-
NCD Programme	Long Term	-	-	-	-	-	-	-	-	-	-	-	[ICRA]BBB (Stable); withdrawn	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
NCD Programme	Long Term	-	-	-	-	-	-	-	-	-	-	-	[ICRA]BBB (Stable); withdrawn	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
Bank Facilities Term loan^	Long Term	-	-	-	-	-	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
Bank Facilities CC	Long Term	-	-	-	-	-	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
Bank Facilities Others	Long Term	650	617.75^	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)

Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding as on May 31, 2022 (Rs. crore)	Current Rating (FY2023)			Chronology of Rating History for the Past 3 Years																				
				Date & Rating in FY2023			Date & Rating in FY2022										Date & Rating in FY2021					Date & Rating in FY2020					
				Jul-14-2022	May-17-2022	Apr-19-2022	Mar-28-2022	Mar-24-2022	Mar-7-2022	Jan-25-2022	Dec-09-2021	Nov-22-2021	Oct-20-2021	Jun-18-2021	Jun-11-2021	Apr-22-2021	Mar-23-2021	Dec-21-2020	Jul-21-2020	May-11-2020	Apr-14-2020	Mar-23-2020	Sep-18-2019	Aug-22-2019	Jul-9-2019	May-3-2019	Apr-1-2019
Market Linked Debentures (MLD) Programme	Long Term	15	15	PP-MLD [ICRA]BB (Positive); withdrawn	PP-MLD [ICRA]BB (Stable)	PP-MLD [ICRA]BB (Stable)	PP-MLD [ICRA]BB (Stable)	PP-MLD [ICRA]BB (Stable)	PP-MLD [ICRA]BB (Stable)	PP-MLD [ICRA]BB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)
Sub-debt Programme	Long Term	20	20	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
Tier II Bonds Programme	Long Term	25	25	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	-	-
NCD Programme	Long Term	28.5	28.5	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	-	-
NCD Programme	Long Term	50.5	49.96	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	-	-
NCD Programme	Long Term	70	70	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	-	-
NCD Programme	Long Term	2.50	2.50	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	-	-
NCD Programme	Long Term	25	25	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
MLD Programme	Long Term	20	20	PP-MLD [ICRA]BBB (Positive)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)

Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding as on May 31, 2022 (Rs. crore)	Current Rating (FY2023)			Chronology of Rating History for the Past 3 Years																					
				Date & Rating in FY2023			Date & Rating in FY2022												Date & Rating in FY2021					Date & Rating in FY2020				
				Jul-14-2022	May-17-2022	Apr-19-2022	Mar-28-2022	Mar-24-2022	Mar-7-2022	Jan-25-2022	Dec-09-2021	Nov-22-2021	Oct-20-2021	Jun-18-2021	Jun-11-2021	Apr-22-2021	Mar-23-2021	Dec-21-2020	Jul-21-2020	May-11-2020	Apr-14-2020	Mar-23-2020	Sep-18-2019	Aug-22-2019	Jul-9-2019	May-3-2019	Apr-1-2019	
NCD Programme	Long Term	54.30	54.30	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)															
Sub-debt Programme	Long Term	30	30	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)															
NCD Programme	Long Term	42	42	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)																	
Sub-debt Programme	Long Term	30	30	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)																			
NCD Programme	Long Term	45.20	45.00	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)																				
NCD Programme	Long Term	26.00	26.00	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)																					
NCD Programme	Long Term	37.50	37.50	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)																							

Source: ICRA Research ; ^ Bank facilities outstanding as on March 31, 2022

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Bank Lines	Simple
NCD Programme	Simple
Tier II Bonds Programme	Very Simple
Subordinated Debt Programme	Very Simple
LT-Market Linked Debt	Complex

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: [www.icra.in](http://www.icra.in)



**Annexure I: Instrument details**

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
INE982X07051	MLD Programme	Mar-26-2019	NIFTY 50 Index Linked	May-24-2022	15.00	PP-MLD [ICRA]BBB (Positive); withdrawn
INE982X07135	MLD Programme	Jun-14-2021	SENSEX Linked	Sep-30-2024	20.00	PP-MLD [ICRA]BBB (Positive)
INE982X07150	NCD Programme	Jun-30-2021	11.6778%	Jun -30-2027	22.10	[ICRA]BBB (Positive)
INE982X07168	NCD Programme	Jul-02-2021	11.7229%	Jul- 02-2027	16.10	[ICRA]BBB (Positive)
<a href="#">INE982X07143</a>	NCD Programme	Jul-05-2021	11.7229%	May-05-2026	16.10	[ICRA]BBB (Positive)
INE982X07218	NCD Programme	Jan-14-2022	11.76%	Jan-14-2026	42.00	[ICRA]BBB (Positive)
INE982X07267	NCD Programme	Sep-11-2018	12.70%	Dec-31-2026	40.00	[ICRA]BBB (Positive)
INE982X08018	Sub-debt Programme	Mar-29-2019	15.75%	May-30-2025	20.00	[ICRA]BBB (Positive)
INE982X08059	Sub-debt Programme	Oct-22-2021	14.75%	May-21-2027	30.00	[ICRA]BBB (Positive)
INE982X08067	Sub-debt Programme	Mar-14-2022	15.15%	Mar-15-2027	30.00	[ICRA]BBB (Positive)
INE982X08034	Tier II Bonds Programme	Jul-08-2019	14.27%	Jul-08-2026	10.00	[ICRA]BBB (Positive)
INE982X08042	Tier II Bonds Programme	Aug-01-2019	14.27%	Jul-08-2026	15.00	[ICRA]BBB (Positive)
INE982X07184	NCD Programme	Aug-23-2019	12.65%	Nov-22-2027	28.50	[ICRA]BBB (Positive)
INE982X07077	NCD Programme	Sep-18-2019	13.60%	Sep-30-2022	49.96	[ICRA]BBB (Positive)
INE982X07093	NCD Programme	Jul-24-2020	11.723%	Jul-24-2024	34.50	[ICRA]BBB (Positive)
INE982X07234	NCD Programme	Mar-30-2022	11.7702%	Mar-30-2026	45.00	[ICRA]BBB (Positive)
INE982X07101	NCD Programme	Jul-24-2020	11.723%	Jul-24-2026	38.00	[ICRA]BBB (Positive)
INE982X07119	NCD Programme	Dec-18-2020	13.75%	Dec-18-2023	25.00	[ICRA]BBB (Positive)
INE982X07283	NCD Programme	May-31-2022	11.7702%	May-31-2026	37.50	[ICRA]BBB (Positive)
INE982X07226	NCD Programme	Mar-30-2022	11.76%	Dec-30-2024	26.00	[ICRA]BBB (Positive)
Unallocated	NCD Programme				0.74	[ICRA]BBB (Positive)
	Bank facilities	Sep 2020 to Mar 2022	10.50% to 13.25%	Nov 2022 to Mar 2025	650.00	[ICRA]BBB (Positive)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

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