November 02, 2022

Satya MicroCapital Ltd.: Ratings reaffirmed and assigned for enhanced amount

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Bank facilities (LT – Fund based)	650.00	750.00	[ICRA]BBB (Positive); reaffirmed/ assigned for enhanced amount
NCD programme	421.50	421.50	[ICRA]BBB (Positive); reaffirmed
Tier II bonds programme	25.00	25.00	[ICRA]BBB (Positive); reaffirmed
Subordinated debt programme	80.00	80.00	[ICRA]BBB (Positive); reaffirmed
Market linked debenture (MLD)	20.00	20.00	PP-MLD [ICRA]BBB (Positive); reaffirmed
Total	**1,196.50**	**1,296.50**	

**Instrument details are provided in Annexure I*

Rationale

The ratings continue to factor in the diversified experience of Satya Microcapital Ltd.'s (SML) board and senior management team across the microlending space and banking, financial services, and insurance (BFSI) segment. 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. SML reported an AUM of ~Rs. 3,254 crore (provisional) as on September 30, 2022. Nevertheless, the performance of the recently generated portfolio remains monitorable, as ~39% of its AUM, as on September 30, 2022, was disbursed in the last six months and more than 75% of its borrowers are in Cycle 1, i.e. they do not have a track record with SML.

The ratings also factor in the company's diversified borrowing profile, comprising loans from banks {35% including loans from small finance banks (SFBs)}, non-banking financial companies (NBFCs)/financial institutions (FIs; 13%), non-convertible debentures (NCDs including subordinated debt; 25%) and securitisation (including direct assignment (DA); 27%) as on September 30, 2022. Further, the ratings consider 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. The company reported gross non-performing assets (GNPAs) of 5.6% (provisional) as on September 30, 2022 compared to 3.3% as on March 31, 2022 (1.5% as on March 31, 2021). The increase was largely on account of the slippages from the restructured book as borrowers came out of the moratorium. SML's ability to arrest further slippages and recover from its overdue and restructured accounts would remain a monitorable.

The ratings also factor in SML's weak profitability profile, given the high operating expenses as it is in a growing phase and the increase in the credit costs due to slippages from the restructured book to the higher delinquency bucket. Nevertheless, ICRA expects the profitability to improve during the remainder of the fiscal, driven by the impact of the new book, which is generated at a high yield. 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 costs shall remain key for its financial profile.

The ratings also consider 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 SML has been able to raise fresh funds, despite covenant breaches in the last 1-2 years.

The Positive outlook on the [ICRA]BBB rating reflects ICRA's opinion that 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.

Key rating drivers and their description

Credit strengths

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 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 are 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. ICRA takes note of resignation of a nominee director (Dia Vikas Capital Pvt. Ltd.) from SML's board, as Dia Vikas has sold its stake to other shareholders and ceases to be a shareholder in the company.

Robust growth in portfolio and geographically diversified operations – SML's AUM grew by ~95% in FY2022 to Rs. 2,884 crore[1] as on March 31, 2022 from Rs. 1,476 crore as on March 31, 2021. The AUM grew further in H1 FY2023 to Rs. 3,254 crore as on September 30, 2022, reporting an annualised growth of 27%. The growth in H1 FY2023 was relatively slower as the company 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 255 districts in 21 states/UTs as on September 30, 2022. Uttar Pradesh (UP) accounted for the largest share of the AUM at ~21% as on September 30, 2022, followed by Bihar (16%), Punjab (9%), Haryana (7%), and Rajasthan (6%). The balance 40% 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 (provisional) of ~Rs. 639 crore as on September 30, 2022 compared to ~Rs. 552 crore as on March 31, 2022. This was supported by a capital infusion of ~Rs. 73 crore from Gojo and Mr. Vivek Tiwari in H1 FY2023. SML's capital adequacy ratio (CAR) stood at 24.1% as on September 30, 2022 compared to 23.0% as on March 31, 2022 (34.6% as on March 31, 2021). Its managed gearing[2] was 5.1 times as on September 30, 2022, which was in line with its managed gearing as on March 31, 2022, though higher than 3.4 times as on March 31, 2021. ICRA notes that SML plans to raise additional capital in the near term to 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 35% of the borrowing mix as on September 30, 2022 while NBFCs/FIs accounted for ~13%. Its funding is also sourced through diversified arrangements, including NCDs (25%) and the securitisation route (including DA; 27%).

---

[1] As per IGAAP

[2] Managed gearing = (on-book debt + off-book portfolio) / Net worth

Credit challenges

Asset quality weakened due to Covid-19 – SML's overall asset quality indicators have weakened as a significant part of the restructured book slipped into NPAs, following the end of the moratorium period. SML reported GNPAs (provisional) of 5.6% as on September 30, 2022 compared to 3.3% as on March 31, 2022 (1.5% as on March 31, 2021). ICRA also notes that SML reduced its provision coverage ratio (PCR) on GNPAs to ~26% in September 2022 (~25% in March 2022) from ~58% in March 2021, which kept its credit cost relatively low in FY2022 and H1 FY2023. 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.

SML's GNPAs (with year-to-date (YTD) write-offs) stood at 10.3% on a 1-year lagged loan book. Its solvency has also weakened as Net NPA/Net worth stood at 16.8% as on September 30, 2022 against 11.6% as on March 31, 2022. SML's ability to improve its asset quality shall remain a key monitorable. Any further slippages or significantly lower-than-expected recoveries from the current GNPAs could adversely impact the company's credit profile.

Weak profitability indicators; expected to improve, going forward – SML reported a net profit (provisional) of Rs. 13.5 crore in H1 FY2023, translating into a return on average managed assets (RoMA) of 0.7% and a return on average net worth (RoNW) of 4.5% vis-à-vis Rs. 32.5 crore, 1.2% and 6.8%, respectively, in FY2022. Though the company witnessed an improvement in the spread in H1 FY2023, leading to a better net interest margin (NIM), its overall profitability declined on account of the higher credit costs and operational expenses with respect to the average managed assets (AMA). As the company is growing aggressively and plans to continue doing so at a rapid pace, the operational expenses are expected to remain high.

ICRA notes that SML has increased its lending rates and the blended yield is expected to improve in FY2023, which should help improve its profitability. Nonetheless, higher-than-expected slippages to the NPA category might lead to higher credit provisions and write-offs and the same shall remain key for the profitability profile.

Ability to manage political, communal, and other risks, given the marginal borrower profile – 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.

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 September 30, 2022, SML had unencumbered cash and liquid investments of ~Rs. 345 crore to meet its debt obligations (excluding interest) of ~Rs. 1,152 crore over the next 12 months along with collections (excluding interest) of ~Rs. 1,543 crore due over the same time frame. In terms of the collection efficiency[3] (CE), the adjusted CE has stabilised at ~94-95% and the current CE at ~94% against 99%+ during the pre-Covid times. SML's ability to improve its CE and 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.

---

[3] *Adjusted CE = (current month's demand + recovery from overdue EMI) / current month's demand*

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	ICRA's methodology for non-banking finance companies
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. 25,000-75,000, and individual microloans with ticket sizes in the range of Rs. 45,000-80,000 at interest rates of 21-26% (currently 25% 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 September 30, 2022, the operations were spread geographically in 255 districts across 21 states/UTs.

In FY2022, the company reported a profit after tax (PAT) of Rs. 32.5 crore (Rs. 10.2 crore in FY2021) on AUM of Rs. 2,884 crore as on March 31, 2022 (Rs. 1,476 crore as on March 31, 2021). In H1 FY2023, SML reported a net profit of Rs. 13.5 crore on an AUM of Rs. 3,254 crore as on September 30, 2022.

Key financial indicators (audited; Ind AS)

Satya MicroCapital Ltd.	FY2020	FY2021	FY2022	H1 FY2023 (Provisional)
Total income	208.6	267.2	401.5	304.5
Profit after tax	7.4	10.2	32.5	13.5
Net worth	171.8	404.4	552.3	639.4
Gross AUM (IGAAP valuation)	1,008	1,476	2,884	3,254
Return on average managed assets	0.7%	0.7%	1.2%	0.7%
Return on average net worth	5.8%	3.5%	6.8%	4.5%
Gearing (on-book)	5.4x	2.8x	4.1x	4.1x
Gross NPA	1.6%	1.5%	3.3%	5.6%
Net NPA	0.6%	0.6%	2.5%	4.2%
Solvency (Net stage 3/Net worth)	3.0%	2.0%	10.6%	16.8%
CRAR	25.5%	34.6%	23.0%	24.1%

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 Sep 30, 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					
				Nov-2-2022	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 (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)
CP Programme	Short Term	-	-	-	-	-	-	-	-	-	-	-	-	[ICRA]A3+; withdrawn	[ICRA] A3+	[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; 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	750	733.55	[ICRA]BBB (Positive)	[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 Sep 30, 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					
				Nov-2-2022	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	-	-		PP-MLD [ICRA]BBB (Positive); withdrawn	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)
Sub-debt Programme	Long Term	20	20	[ICRA]BBB (Positive)	[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 (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 (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)	-	-	-
NCD Programme	Long Term	50.5	49.96	[ICRA]BBB (Positive)	[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)	-	-	-	-
NCD Programme	Long Term	70	70	[ICRA]BBB (Positive)	[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)	-	-	-	-	-
NCD Programme	Long Term	2.50	2.50	[ICRA]BBB (Positive)	[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)	-	-	-	-	-	-	-	-
NCD Programme	Long Term	25	25	[ICRA]BBB (Positive)	[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)									
MLD Programme	Long Term	20	20	PP-MLD [ICRA]BBB (Positive)	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)												

Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding as on Sep 30, 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					
				Nov-2-2022	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 (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)													
Sub-debt Programme	Long Term	30	30	[ICRA]BBB (Positive)	[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 (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 (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 (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 (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)																				
NCD Programme	Long Term	37.50	37.50	[ICRA]BBB (Positive)	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)																						

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

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
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)
INE982X07143	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	Nov 2020 to Aug 2022	10.50% to 13.25%	Nov 2022 to Apr 2025	750.00	[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

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

Sachin Sachdeva
+91 124 4545 307
sachin.sachdeva@icraindia.com

Jatin Arora
+91 124 4545 846
jatin.arora@icraindia.com

Arpit Agarwal
+91 124 4545 873
arpit.agarwal@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee
+91 80 4332 6401
jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

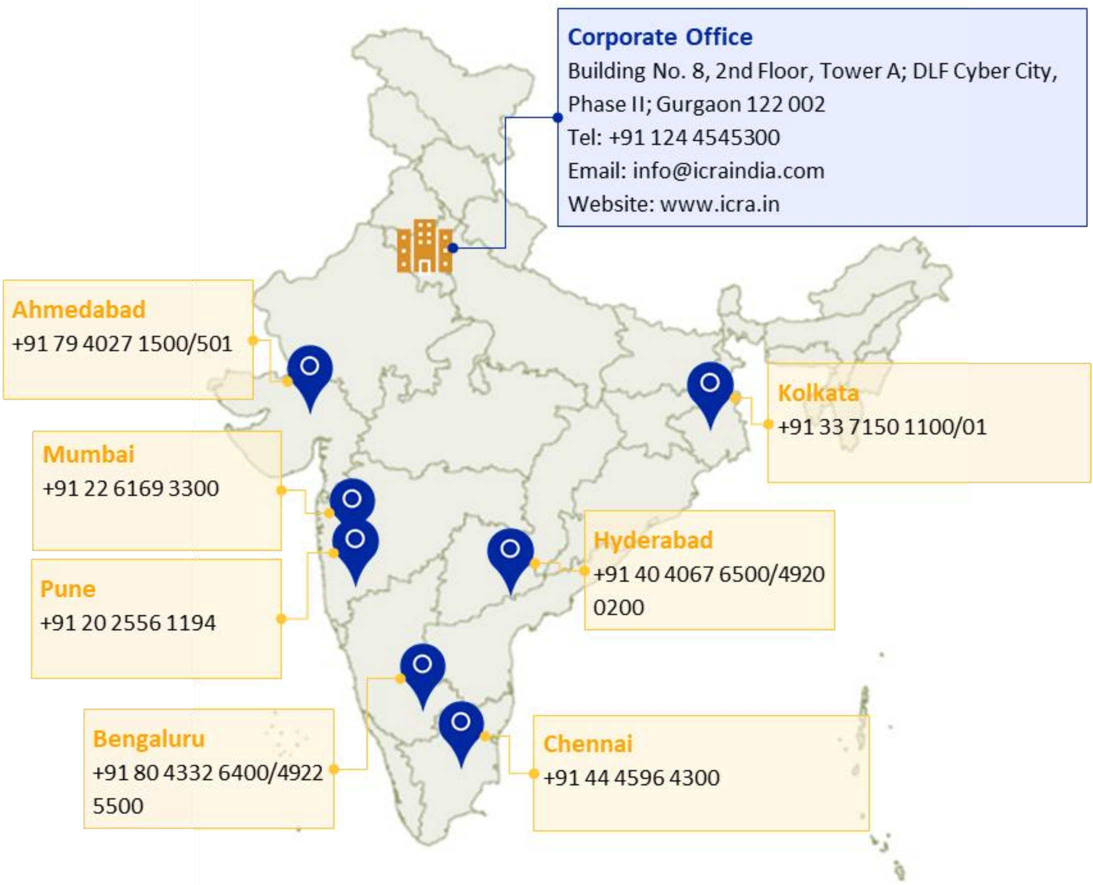
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.