

March 13, 2024

## Satya MicroCapital Ltd.: Ratings withdrawn for PTCs backed by microfinance loan receivables securitisation transaction

### Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Amount O/s after Last Surveillance (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Nimbus 2022 MFI Donna	PTC Series A1	43.82	10.73	0.00	[ICRA]AA(SO); Withdrawn
	PTC Series A2	0.76	0.76	0.00	[ICRA]AA-(SO); Withdrawn

\*Instrument details are provided in Annexure I

### Rationale

ICRA has withdrawn the ratings for Pass through certificates (PTCs) issued under microfinance loan receivables securitisation transaction originated by Satya MicroCapital Ltd. (SML; rated [ICRA]BBB+(Stable)). All the payouts to the investors in the above-mentioned instrument has been made and no further payments are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn. The previous detailed rating rationales of previous rating exercise is available at the following link: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Policy on Withdrawal of Credit Rating</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

### About the originator

Satya MicroCapital Ltd. is a Delhi-based NBFC, which was incorporated in 1995. SML started its microfinance operations in FY2017 by adopting the joint liability group (JLG) model with fortnightly and monthly collection cycles. The company primarily offers JLG loans with ticket sizes in the 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 24-26%, along with a processing fee of 0.50% 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. Typically, the average tenure of loans under JLG is slightly over two years. As on December 31, 2023, the operations were spread geographically in 329 districts across 25 states/UTs.

The company reported a profit after tax (PAT) of Rs. 96crore (as per limited review financials) in 9M FY2024 against Rs. 53 crore in FY2023. Its assets under management (AUM) stood at Rs. 5,423 crore (provisional) as on December 31, 2023, registering an annualised growth of ~22% in its AUM in 9M FY2024.

### Key financial indicators (audited-Ind-AS)

	FY2022	FY2023	9M FY2024*
Total income	402	735	905
PAT	33	53	96
Total managed assets	3,478	5,708	6,723
Gross NPA	3.3%	1.3%	2.2%

<b>CRAR</b>	23.0%	19.2%	21.7%
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Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore ; \* As per limited review financials;

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

Any other information: None

### Rating history for past three years

Sr. No.	Trust Name	Instrument	Current Rating (FY2024)		Chronology of Rating History for the past 3 years					
			Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2024		Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021
					Mar 13, 2024	Nov 02, 2023	Nov 21, 2022	Oct 03, 2022	--	--
1	Nimbus 2022 MFI Donna	PTC Series A1	43.82	0.00	[ICRA]AA(SO); withdrawn	[ICRA]AA(SO)	[ICRA]A(SO)	Provisional [ICRA]A(SO)	--	--
		PTC Series A2	0.76	0.00	[ICRA]AA-(SO); withdrawn	[ICRA]AA-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)		

### Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Nimbus 2022 MFI Donna	PTC Series A1	Moderately Complex
	PTC Series A2	

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, is available on ICRA's website [Click here](#)

### Annexure I: Instrument details

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Nimbus 2022 MFI Donna	PTC Series A1	September 2022	10.15%	May 2024	0.00	[ICRA]AA(SO); Withdrawn
	PTC Series A2		13.00%		0.00	[ICRA]AA-(SO); Withdrawn

Source: Company

### Annexure II: List of entities considered for consolidated analysis

Not Applicable

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