

March 21, 2024

Save Microfinance Pvt. Ltd.: Ratings withdrawn for PTCs issued under micro loan receivables issued by Hodges 06 2022

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Previous Rated Amount (Rs. crore)	Current outstanding Amount (Rs. crore)	Rating Action
Hodges 06 2022	PTC Series A1	17.07	2.84	0.00	[ICRA]A+(SO); Withdrawn
	PTC Series A2	1.01	1.01	0.00	[ICRA]A(SO); Withdrawn

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the rating for the pass-through certificates (PTCs) issued under a micro loan receivables transaction originated by Save Microfinance Pvt. Ltd. All the payouts to the investors in the above-mentioned instruments have 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liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationale is available at the following link:

Hodges 06 2024: [Link](#);

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal of Credit Rating
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

Bihar-based Save Microfinance Pvt. Ltd. is a non-banking financial company-microfinance institution (NBFC-MFI), which provides joint liability group (JLG) loans. It received its NBFC licence in October 2017 and commenced lending operations from November 2018. The company provides microcredit to women borrowers for income-generating activities such as small business, handicrafts, trade and services, agriculture, etc. The loans are provided to women for agricultural and non-agricultural activities with a ticket size of Rs. 15,000-50,000. The tenure of the loans is 12-24 months with a rate of interest of 19.7-21.69%. Collections are made on a monthly basis and a processing fee of 1% is charged. The company also gives credit guarantee scheme (CGS) loans at a rate of interest of 19.69%. The operations are spread geographically with a presence in 102 districts across 7 states as on March 31, 2023. In FY2023, the company reported a profit after tax (PAT) of Rs. 17.21 crore on assets under management of Rs. 986.52 crore.

Key financial indicators (audited)

Save Microfinance Pvt. Ltd.	FY2021 (In Crs.)	FY2022 (In Crs.)	FY2023 (In Crs.)	H1FY2024 (In Crs.)
Total income	24.20	62.47	171.50	107.93
Profit after tax	3.54	0.50	17.14	8.55
Assets under management	201.48	513.21	986.52	797.15
GNPA (%)	2.14%	1.26%	1.03%	1.44%
NNPA (%)	0.64%	0.26%	0.06%	0.17%

Source: Company data, 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

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 2024		Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021
				March 21, 2024	October 30, 2023	October 31, 2022	July 06, 2022		
Hodges 06 2022	PTC Series A1	17.07	0.00	[ICRA]A+(SO) Withdrawn	[ICRA]A+(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-	-
	PTC Series A2	1.01	0.00	[ICRA]A(SO) Withdrawn	[ICRA]A(SO)	[ICRA]BBB(SO)	Provisional [ICRA]BBB(SO)	-	-

Complexity level of the rated instrument

Instrument	Instrument	Complexity Indicator
Hodges 06 2022	PTC Series A1	Moderately complex
	PTC Series A2	Moderately 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 analyzing 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
Hodges 06 2022	PTC Series A1	July 2022	10.00%	March 2024	0.00	[ICRA]A+(SO); Withdrawn
	PTC Series A2		15.00%	March 2024	0.00	[ICRA]A(SO); Withdrawn

* The scheduled maturity at the transaction initiation; may change on account of prepayments in the underlying pool.

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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