

Satya MicroCapital Ltd.

March 19, 2019

Summary of Rated Instrument

Trust Name	Instrument*	Initial Amount (Rs. crore ¹)	Amount o/s after last surveillance (Rs. crore)	Amount O/s after Jan-19 Payout (Rs. crore)	Rating action
Vivriti Aleta 001 2017	PTC Series A2	0.44	0.44	0.00	[ICRA]A-(SO) Withdrawn

*Instrument details are provided in Annexure I

Rating Action

ICRA has withdrawn the ratings for PTCs Series A2 issued under a micro loan securitisation transaction originated by Satya MicroCapital Ltd, as tabulated above.

Rationale

All the payouts to the investors in the above mentioned instruments have been made and no further payment are due to the investors.

Key rating drivers

Credit Strengths

- N.A.

Credit Weakness

- N.A.

Description of key rating drivers highlighted above:

N.A.

Liquidity Position

N.A.

Past rated pool performance: In the past, ICRA has rated 5 micro loan receivable pools originated by SML with the last pool being rated in January 2019. The performance of the live pools has been good with 100% cumulative collection efficiency and negligible 0+ dpd

Key rating assumptions

N.A.

Analytical approach:

Analytical Approach	Comments
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¹ 100 lakh = 1 crore = 10 million

Applicable Rating Methodologies	ICRA's Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company:

Satya MicroCapital Ltd. (formerly known as TFC Finvest Limited) is a Delhi based NBFC which was incorporated as a limited company in 1995. Satya started its microfinance operations by adopting the JLG model with a fortnightly collection cycle in November 2016. Satya offers ticket sizes ranging up to Rs. 50,000, at an interest rate of 24.01-24.51% depending on the ticket size, along with a 1% processing fee. SML focussed solely on lending to women (husbands act as co-borrowers) with the aim of starting a new business or enhancing existing businesses.

As on December 31, 2018, the company had presence in 82 branches in 82 Districts in 14 states with top 3 states i.e. Uttar Pradesh (21), Bihar (17%) and Punjab (16%) accounting for 54% of the total portfolio outstanding. Other states in the portfolio include Rajasthan, Haryana, Chhattisgarh, Uttarakhand, Orissa and West Bengal and small portfolios in Assam, Delhi, Himachal Pradesh, Jammu & Kashmir and Jharkhand.

In FY2018, the company reported a loss of Rs. 6.39 crore on a managed asset base of Rs. 327.25 crore compared to a net loss of Rs. 1.46 crore on a managed asset base of Rs. 50.12 crore in FY2017. During 4MFY2019, the company reported a loss of Rs. 2.61 crore on a managed asset base of Rs. 392.03 crore and during Q1FY2019 reported a loss of Rs. 0.93 crore on a managed asset base of Rs. 334.41 crore.

ICRA has a rating outstanding of [ICRA]BBB-(Stable) on the bank lines and NCD programme of Satya MicroCapital Ltd.

Key financial indicators

	FY2017	FY2018
Total income	0.96	25.64
Net interest income	0.42	8.29
Profit before tax	(1.45)	(6.31)
Profit after tax	(1.46)	(6.39)
Total managed portfolio	26.11	218.79
Total managed assets	50.12	327.25
Net worth	8.16	22.51
% Tier 1	25.73%	9.06%
% CRAR	38.82%	16.14%
Gearing	5.6	7.8
% Net profit / average managed assets	-5.67%	-3.39%
% Return on net worth	-30.56%	-41.69%
% Gross NPAs	0.00%	0.00%
% Net NPAs	0.00%	0.00%
Net NPA / net worth	0.00%	0.00%

Source: ICRA research; All values and ratios as per ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Table:

S. No	Instrument	Type	Current Rating (FY2019)		Chronology of Rating History for the past 3 years Date & Rating in FY2018				
			Initial Rated Amount (Rs. crore)	Amount Outstanding (Rs. Crore)	Mar-19	Oct-18	Apr-18	Oct-17 [§]	Jul-17*
1	Vivriti Aleta 001 2017	PTC Series A2	0.44	0.00	[ICRA]A-(SO) Withdrawn	[ICRA]A-(SO)	[ICRA]BBB(SO)	[ICRA]BB+(SO)	Provisional [ICRA]BB+(SO)

* Initial Rating assigned

§ Rating converted from Provisional to Final

Complexity level of the rated instrument: Highly Complex

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure I

Details of Instruments

Sl.	Trust Name	Instrument	Date of Issuance	Coupon Rate (p.a.)	Scheduled Maturity Date	Rated Amount (Rs. crore ²)	Current Rating
1	Vivriti Aleta 001 2017	PTC Series A2	Jun-17	16.50%	May-19	Nil	[ICRA]A-(SO) Withdrawn

² 100 lakh = 1 crore = 10 million

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