

June 17, 2024

Satya MicroCapital Ltd.: Rating withdrawn for PTC backed by microfinance loan receivables securitisation transaction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
Slytherin Trust September 2022	PTC Series A1	98.02	26.10	0.00	[ICRA]AA(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating for Pass through certificates (PTCs) issued under microfinance loan receivables securitisation transaction originated by Satya MicroCapital Ltd.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position, and rating sensitivities have not been captured as the ratings assigned to the instruments have been withdrawn. The previous detailed rating rationale is available at this. The previous detailed rating rationale of previous rating exercise is available at the following link: [Click here](#)

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 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 March 31, 2024, the operations were spread geographically in 327 districts across 25 states/UTs.

Key financial indicators (audited)

	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%
CRAR	23.0%	19.2%	21.7%

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 (FY2025)		Date & Rating	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
						Jun 17,2024	Nov 02,2023	Nov 25, 2022	Oct 03, 2022
1	Slytherin Trust September 2022	PTC Series A1	98.02	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
Slytherin Trust September 2022	PTC Series A1	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 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
Slytherin Trust September 2022	PTC Series A1	September 2022	11.00%	April 2024	0.00	[ICRA]AA(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

ANALYST CONTACTS

Abhishek Dafria

+91 22 6114 3440

abhishek.dafria@icraindia.com

Sachin Joglekar

+91 22 6114 3470

sachin.joglekar@icraindia.com

Gaurav Mashalkar

+91 22 6114 3431

gaurav.mashalkar@icraindia.com

Pratik Vora

+91 22 6114 3438

pratik.vora@icraindia.com

Tina Parekh

+91 22 6114 3455

tina.parekh@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

shivakumar@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

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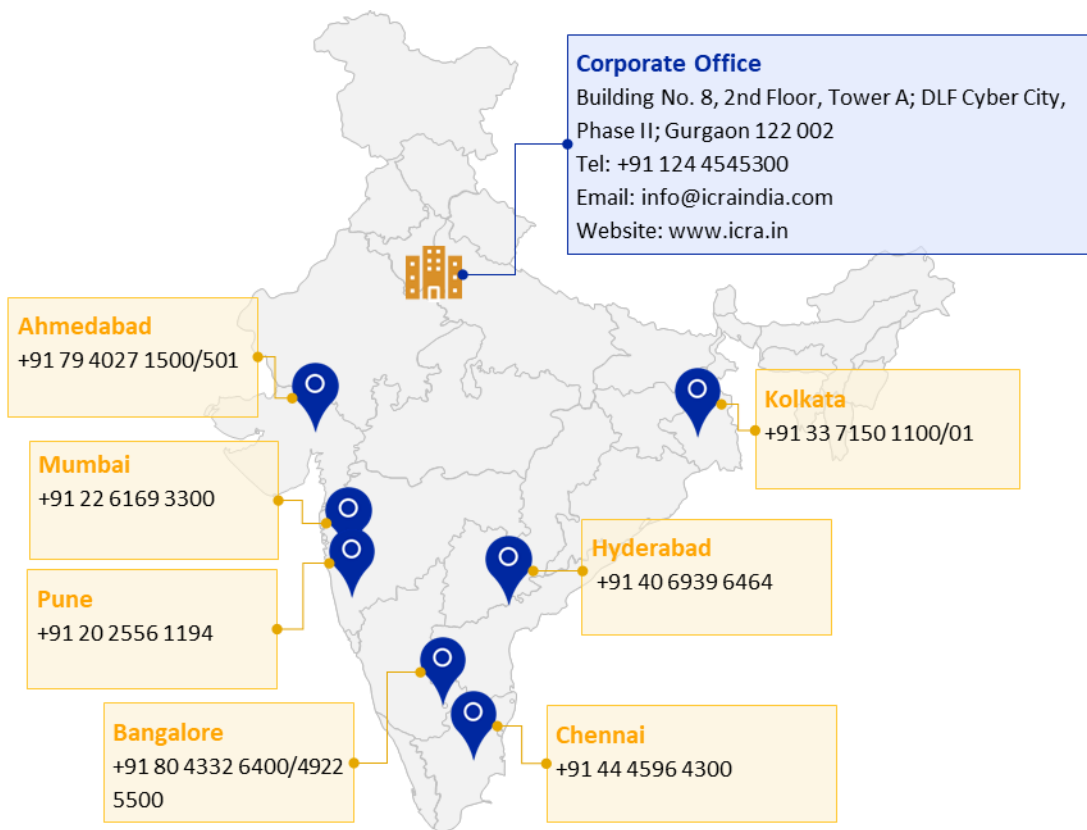
Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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