Satya MicroCapital Limited

February 10, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities (Proposed)	- (reduced from 50.00)	-	Withdrawn
Total Bank Facilities	**0.00**		

Details of instruments/facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the rating assigned to the Bank facilities of Satya Microcapital Limited (SML) with immediate effect, as per company's request as it has not availed the bank facilities rated by us and there is no amount outstanding under the facility as on date.

Analytical approach: Not Applicable

Applicable Criteria

Policy on Withdrawal of ratings

About the Company

Incorporated on May 18, 1995, Satya Microcapital Limited (formerly known as TFC Finvest Limited) is an NBFC-MFI based out of Delhi. The company obtained MFI license in February 2018. The company commenced its microfinance lending operations in November 2016 in Uttar Pradesh and as on Sep 30, 2020, the operations are managed through a network of 163 branches and workforce of 2,021 employees spread across 22 states. The company follows Joint Liability Group (JLG) model with limited liability and as on Sep 30, 2020, JLG product formed around 97% of the company's AUM. SML's target segment consists of rural and urban women from low income families at the bottom of the pyramid. During H1FY21, the company reported total income of Rs.117.11 crore and net profit after tax (PAT) of Rs.3.83 crore. The AUM of the company reached Rs.954.27 crore as on September 30, 2020 (including managed portfolio). SML is promoted by Mr Vivek Tiwari, who is the largest shareholder with 29.38% holding as on October 31, 2020, followed by Gojo & Company (24.42%), Dia Vikas Capital (20.33%) and remaining by employees and friends of promoter and senior management.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total income	101.71	208.61
PAT	-0.26	7.53
Interest coverage (times)	0.99	1.10
Total Assets*	843.07	1098.91
Net NPA (%)	0.04	0.54
ROTA (%)	-0.05	0.78

A: Audited

**excluding intangibles and deferred tax assets*

Note: Financials are as per IND AS

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: *Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3*

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan (Proposed)	-	-	-	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	-	-	1)CARE BBB-; Stable (03-Feb-21)	1)CARE BBB-; Stable (07-Feb-20)	1)CARE BBB-; Stable (21-Jan-19) 2)CARE BBB-; Stable (12-Sep-18)	1)CARE BB+; Stable (12-Feb-18)

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities – Not Applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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