

Save Microfinance Private Limited (Revised)

July 02, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Non-Convertible Debentures	100.00	CARE BBB-; Stable	Reaffirmed
Non-Convertible Debentures	95.00 (Reduced from 100.00)	CARE BBB-; Stable	Reaffirmed
Non-Convertible Debentures	100.00	CARE BBB-; Stable	Reaffirmed
Market Linked Debentures	-	-	Withdrawn

Details of instruments/facilities in Annexure-1

Rationale and key rating drivers

For assessing ratings of Save Microfinance Private Limited (SMPL), CARE Ratings Limited (CareEdge Ratings) has taken a view based on the company's standalone financials, factoring in the support from its parent Save Solutions Private Limited (SSPL).

Ratings assigned to debt facilities of SMPL consider its adequate capitalisation profile supported by timely equity infusion from group entities and adequate liquidity position. Ratings also factors in the synergy it draws from SSPL's (parent company's) long track record, its scale in terms of business correspondents (BC) partner/ merchant network in India and experienced promoters and management team. CareEdge Ratings takes cognisance of the Save group's strategy of diversifying the business via its subsidiaries and operating across sectors such as microfinance, loan-against-property (LAP), housing finance and as business correspondent (BC).

However, ratings are constrained due to moderate scale, weakened asset quality and earnings and concentrated resource profile with high reliance on funding from non-banking financial companies (NBFCs). In FY25, the company's assets under management (AUM) stood at ₹1,172 crore as on March 31, 2025, against ₹1,179 crore as on March 31, 2024. As seen for other microfinance entities, SMFL's asset quality also weakened and increasing its gross non-performing assets (GNPA) to 4.78% as on March 31, 2025, from 2.04% as on March 31, 2024, elevating its credit cost. The reduction in scale and elevated credit cost weakened its earnings profile as it reported a provisional profit after taxation (PAT) of ₹0.91 crore (return on total assets (RoTA) of 0.12%) in FY25 against ₹12.2 crore (RoTA of 1.33%) in FY24.

CareEdge Ratings has withdrawn ratings assigned to the principal protected market linked debenture (PP-MLD) issue of SMPL with immediate effect, as the company has repaid the aforementioned PP-MLD issue in full and there is no amount outstanding under the issue as on date.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Sustained improvement in scale while improving asset quality metrics and profitability.
- Positive change in the parent's credit profile.

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Weakening parent's credit profile.
- Significant delay in the equity raising plan, leading to an increase in the AUM/ net worth levels beyond 6.5x on a sustained basis.
- Sustained weakening or delay in turnaround of its earnings and asset quality.

Analytical approach: Standalone, factoring in the support from the parent entity.

SMPL is a subsidiary of Save Solutions Private Limited (SSPL) and both companies have common directors, management and brand name. SMPL also gets financial support from SSPL.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Outlook: Stable

Stable outlook reflects CARE Ratings expectations that the company will continue to leverage its established track record and continue to profitably grow across various asset classes.

Detailed description of key rating drivers:

Key strengths

Long track record of the parent (SSPL) and support of experienced promoters and management team

Incorporated in 2009, SSPL began its operations in 2010. SSPL is promoted by Ajeet Kumar Singh (Managing Director), Ajay Kumar Sinha (Director) and Pankaj Kumar (Director), who have diversified experience in rural banking and finance sector. They are supported by one independent director and one nominee director from the investor in the board. Board members are aided by an experienced management team having extensive experience in the industry. SSPL is engaged in BC operations, including basic banking services such as account opening, e-know your customer (e-KYC) verification, providing small ticket sizes loans, providing debit and credit cards and PIN, loan deposit and recovery, and general banking transactions. The company also facilitates recharging FASTag for collecting electronic toll charges. SSPL has tie-ups with four public sector banks (PSBs) – State Bank of India (SBI), Bank of Baroda (BoB), Bank of India (BoI), and Punjab National Bank (PNB), and a regional rural bank – Jharkhand Rajya Gramin Bank (JRGB). The company's primary source of income is charging banks for services provided, which vary per agreements with different banks.

Adequate capitalisation

SMPL's capitalisation remains adequate with capital raise of ₹50 crore in FY25, from Incofin and Maj Invest. The company's capital adequacy requirements (CAR) and Tier 1 capital stood at 32.77% and 32.77% respectively as on March 31, 2025, against 21.41% and 21.41% as on March 31, 2024. The company's total net worth (TNW) increased from ₹177 crore as on March 31, 2024, to ₹220 crore as on March 31, 2025, and gearing improved to 2.02x as on March 31, 2025, from 3.35x as on March 31, 2024. It is to be noted that the company has an off-book portfolio comprising 58% of the AUM. Going forward the company's ability to grow while maintaining a healthy capitalisation will be critical.

Key weaknesses

Moderation in asset quality parameters

SMPL's asset quality moderated in FY25 as it reported GNPA and net NPA (NNPA) of 4.77% and 2.19% respectively as on March 31, 2025, against 2.09% and 0.70% as on March 31, 2024. Its 0+ and 90+ days past due (dpd) also increased to 7.96% and 4.77% respectively as on March 31, 2025, from 2.98% and 1.68% respectively as on March 31, 2024. The moderation in asset quality is majorly considering stress across industry in the JLG Loan Portfolio. The company has written off loans amounting to ₹19 crore in FY25 against ₹4 crore in FY24. CareEdge Ratings expects the asset quality to remain moderate in the near future.

Weak profitability

On a standalone basis, the company reported PAT of ₹91 lakh on total income of ₹198 crore in FY25 against PAT of ₹12.18 crore on total income of ₹209 crore in FY24. Net income margin (NIM) increased from 7.33% in FY24 to 8.29% in FY25. Other income declined in FY25 and stood at 2.74% in FY25 against 2.88% in FY24. Opex stood at 12.31% in FY25 against 10.54% in FY24. The increase in opex is because of an increase in personnel expenses because of the transfer of branches from Save Financial Managements Private Limited (SFMPL) to SMPL. Credit cost increased from 0.50% in FY24 to 3.20% in FY25 due to a write-off of ₹20.28 crore in FY25 against ₹4.09 crore in FY24. As a result, the company's RoTA declined from 1.33% in FY24 to 0.12% in FY25. The company's ability to improve its profitability will be critical going forward.

Moderate resource base

The company's resource profile comprises of borrowing majorly from NBFCs and banks. The proportion of borrowing of SMPL comprises non-convertible debenture (NCD) and term loans from Banks, NBFC and Holding company stood at 25%, 28%, 33% and 15% respectively as on March 31, 2025, against 21%, 42%, 34% and 3% respectively as on March 31, 2024. The company's weighted average cost of debt stood at 13.01% as on March 31, 2025; in Q4FY25 it raised debt funding at an average rate of 14%.

High portfolio vulnerability due to marginal income profile borrowers

SMPL, an NHBFC-MFI, provides small-ticket joint-liability group (JLG) loans to low-income group self-employed women or women working in informal sector, which are vulnerable to several socio – economic factors. The microfinance segment has been impacted

by over indebtedness in the low-income segment, due to which asset quality has been impacted across the sector. SMPL benefits from the parent's extensive customer service point (CSP) network, which assist SMPL in collection of dues from customers.

Liquidity: Adequate

Liquidity remains adequate with no negative cumulative mismatches in the asset liability management (ALM) as on March 31, 2025, in time bucket up to one year as majority portfolio consists of JLG loans with a tenure of up to 24 months compared to longer term borrowings. The company has maintained unencumbered cash and cash equivalents of ₹27 crore as on March 31, 2025, with debt obligations of ₹158 crore due in the next six months (April 2025 to September 2025) and scheduled collections of ₹167 crore in the same period.

Applicable criteria

[Definition of Default](#)
[Factoring Linkages Parent Sub JV Group](#)
[Rating Outlook and Rating Watch](#)
[Financial Ratios - Financial Sector](#)
[Withdrawal Policy](#)
[Market Linked Debentures](#)
[Non-Banking Financial Companies](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial Services	Financial Services	Finance	Microfinance Institutions

SSPL commenced its business operations in India in 2009 as Society for Advancement of Village Economy (SAVE) and is engaged in BC operations particularly in rural India. SSPL has four subsidiaries SMPL, SFSPL, SHFL, and SFMPL.

SMPL was incorporated on August 24, 2016, and began its microfinance lending operations in November 2018. As an NBFC-MFI, it offers small-ticket loans ranging from ₹15,000 to ₹1,00,000 to women borrowers through the JLG model, promoting financial inclusion at the grassroots level. The company operates in India through its 338 branches spread across 15 states and has an AUM of ₹1172 crore as on March 31, 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (P)
Standalone		
Total operating income	209	198
PAT	12.18	0.91
Interest coverage (times)	1.16	1.02
Total Assets*	818	707
Net NPA (%)	0.70	2.19
ROTA (%)	1.33	0.12

A: Audited P: Provisional; Note: these are latest available financial results

*Total Assets are net of deferred tax assets and intangible assets

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Debentures-Non-convertible debentures	INE0JAH08037	27-Mar-24	14.70%	15-Mar-27	10.00	CARE BBB-Stable;
Debentures-Non-convertible debentures	INE0JAH07088	22-Mar-24	13.00%	22-Mar-26	20.00	CARE BBB-Stable;
Debentures-Non-convertible debentures	INE0JAH08029	12-Mar-24	14.70%	15-Jul-27	9.80	CARE BBB-Stable;
Debentures-Non-convertible debentures	INE0JAH07070	30-Jan-24	13.50%	30-Jan-26	20.00	CARE BBB-Stable;
Debentures-Non-convertible debentures	INE0JAH08011	18-Dec-23	14.70%	15-Jul-27	25.20	CARE BBB-Stable;
Debentures-Non-convertible debentures	INE0JAH07062	01-Dec-23	13.10%	01-Dec-25	35.00	CARE BBB-Stable;
Debentures-Non-convertible debentures	INE0JAH07096	28-Jun-24	12.50%	29-Jun-26	20.00	CARE BBB-Stable;
Debentures-Non-convertible debentures	INE0JAH07104	10-Jul-24	12.50%	10-Jul-27	20.00	CARE BBB-Stable;
Debentures-Market-linked debentures	INE0JAH07013*	17-Sep-21	Linked to BSE Sensex	31-Oct-24	0.00	Withdrawn
Debentures-Non-convertible debentures	INE0JAH07021*	29-Oct-21	13.75%	30-Oct-24	0.00	Withdrawn
Proposed					135.00	

*Redeemed

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Debentures-Non Convertible Debentures	LT	100.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (27-Dec-24) 2)CARE BBB; Stable (09-Sep-24) 3)CARE BBB; Stable (29-May-24)	1)CARE BBB; Stable (22-Mar-24) 2)CARE BBB; Stable (03-Oct-23)	1)CARE BBB; Stable (04-Oct-22) 2)CARE BBB-; Stable (01-Aug-22)
2	Debentures-Market Linked Debentures	LT	-	-	-	1)CARE PP-MLD BBB-; Stable (27-Dec-24)	1)CARE PP-MLD BBB; Stable	1)CARE PP-MLD BBB; Stable (04-Oct-22)

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
						2)CARE PP-MLD BBB; Stable (09-Sep-24) 3)CARE PP-MLD BBB; Stable (29-May-24)	(22-Mar-24) 2)CARE PP-MLD BBB; Stable (03-Oct-23)	2)CARE PP-MLD BBB-; Stable (01-Aug-22)
3	Debentures-Non Convertible Debentures	LT	95.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (27-Dec-24) 2)CARE BBB; Stable (09-Sep-24) 3)CARE BBB; Stable (29-May-24)	1)CARE BBB; Stable (22-Mar-24)	-
4	Debentures-Non Convertible Debentures	LT	100.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (27-Dec-24) 2)CARE BBB; Stable (09-Sep-24)	-	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Market Linked Debentures*	Highly Complex
2	Debentures-Non-Convertible Debentures	Complex
3	Debentures-Non-Convertible Debentures	Simple

*Withdrawn

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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