



Press Release
SAVE MICROFINANCE PRIVATE LIMITED
March 17, 2025
Rating Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	15.00	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	15.00	-	-

Rating Rationale

Acuite has withdrawn the long-term rating on the Rs. 15.00 Cr. bank loan facilities of Save Microfinance Private Limited without assigning any rating as the instrument is fully paid. The withdrawal is on account of request received from client and No Due Certificate received from the lender and in accordance with Acuite's policy on withdrawal of ratings as applicable to the respective facility / instrument.

About the company

Save Microfinance Private Limited (SMPL) is a NBFC-MFI, which started its operations in 2017, with its registered office at Delhi and headquartered at Gaya (Bihar). It is a 100% subsidiary of SAVE Solutions Private Limited (SSPL). It operates through Joint liability group (JLG) lending methodology and provides micro-credit services to women entrepreneurs exclusively for Income generating activities such as small business, handicrafts, trade and services, agricultural and allied activities. SMPL leverages on SAVE's wide network of CSPs (Customer Service Points) to provide both cash-in & cash-out at the door step of these women microentrepreneur's.

About the Group

Society for Advancement of Village Economy (SAVE) was founded by Mr. Ajeet Kumar Singh, Mr. Ajay Kumar Sinha and Mr. Pankaj Kumar. to socially develop the rural population of Bihar, Jharkhand, Uttar Pradesh (UP), Odisha and Chhattisgarh. Later, it was converted into a private limited company as SSPL to provide basic banking and financial services particularly in rural parts of the country. The founders of SAVE are the promoters of SSPL holding 19.6% stake each in the company. Denmark based Maj Invest Financial Inclusion Fund III has acquired 21.8% stake in the organization and Agrif Cooperatief UA, holds 17.2% stake in SSPL. The rest stakes of SSPL are held by SAVE Solutions Employees Welfare Trust. The promoters have extensive experience in the banking and financial services space with particular expertise in rural banking domain supported by well experienced senior management team. Through a robust network of more than 10000+ Customer Service Points (CSPs), SSPL aims to provide end-to-end banking services to rural India with an objective of inclusive growth. In order to further expand the operations and foray into the related segments, SSPL has floated two wholly owned subsidiaries SFSPL which is an NBFC engaged in extending Loan Against property (LAP) and Small Ticket size Individual Loans (STIL) and SMPL which is an NBFC-MFI extending small ticket Joint Liability Group loans (JLG) loans. The company was also able to acquire a Housing Finance Company, New Habitat Housing Finance and Development Limited in FY2022.

About the Guarantor

Northern Arc, previously known as IFMR Capital Finance Ltd., is a Non-Deposit taking Non Banking Financial Company (ND-NBFC) incorporated in 1989. It is involved in the placement (arranging funding for its clients via loan syndication, securitisation and assignment among others) and lending business. The company acts as a link between mainstream capital markets investors and highquality last mile lending institutions and businesses. The company's business is categorized as finance sector exposure, i.e., microfinance, affordable housing finance, commercial vehicle finance, consumer finance, agri-finance and small business loans, and non-finance sector

exposure, i.e., mid-market finance and corporates.

Unsupported Rating

Not Applicable

Analytical Approach

Not Applicable

Key Rating Drivers

Strength

Not Applicable

Weakness

Not Applicable

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the “CE” suffix)

Not Applicable

ESG Factors Relevant for Rating

Save Microfinance Private Limited is a systemically important non-deposit-taking, non-banking financial company. Some of the material governance issues for the financial services sector are policies and practices with regard to business ethics, board diversity and independence, compensation structure for board and KMPs, role of the audit committee and shareholders' rights. On the social aspect, some of the critical issues for the sector are the contributions to financial inclusion and community development, responsible financing including environmentally friendly projects and policies around data privacy. The industry, by nature has a low exposure to environmental risks. The entity maintains adequate transparency in its business ethics practices as can be inferred from the entity's disclosures regarding related party transactions, vigil mechanism and whistle blower policy. The board of directors of the company comprise of 6 directors out of which 2 are independent director. The audit committee is with the objective to monitor and provide an unbiased supervision of the management's financial reporting process. SMPL also maintains transparency in terms of disclosures pertaining to interest rate policy and its adherence to Fair Practice Code as disseminated by Reserve Bank of India's circular. It continues to work on several community development initiatives and has also developed a social performance management system to facilitate financial stability of its staff and clients.

Rating Sensitivity

Not Applicable

All Covenants

Not Applicable as Acuite has not assigned any rating

Liquidity Position

Not Applicable

Outlook:

Not Applicable

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY2024(Actual)	FY2023(Actual)
Total Assets	Rs. Cr.	819.11	1018.86
Total Income*	Rs. Cr.	115.89	94.52
PAT	Rs. Cr.	12.18	17.14
Net Worth	Rs. Cr.	179.49	168.61
Return on Average Assets (RoAA)	(%)	1.32	2.16
Return on Average Net Worth (RoNW)	(%)	7.00	12.03
Total Debt/Tangible Net worth (Gearing)	Times	3.29	4.69
Gross NPA	(%)	2.04	0.90
Net NPA	(%)	-	0.21

*Total income equals to Net Interest Income plus other income.

Status of non-cooperation with previous CRA (if applicable):

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Explicit Credit Enhancements: <https://www.acuite.in/view-rating-criteria-49.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
23 Mar 2024	Term Loan	Long Term	15.00	ACUITE BBB+ (CE) Stable (Downgraded from ACUITE A- (CE) Stable)
26 Dec 2022	Term Loan	Long Term	15.00	ACUITE A- (CE) Stable (Assigned)
06 Oct 2022	Proposed Long Term Loan	Long Term	15.00	ACUITE Provisional A- (CE) Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Hinduja Leyland Finance Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	06 Apr 2024	15.00	Simple	Not Applicable Withdrawn

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr.No	Company name
1	SAVE Solutions Private Limited
2	Save Microfinance Private Limited

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.