

November 27, 2023

Satin Creditcare Network Ltd.: Rating withdrawn for PTCs issued under microfinance loan securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. Crore)	Amount O/s after Last Surveillance (Rs. crore)	Current Outstanding Amount (Rs. crore)	Rating Action
Oceana 01 2022	PTC Series A1	27.95	NA	0.00	[ICRA]AA-(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating for the pass-through certificates (PTCs) issued under a microfinance loan receivables transaction originated by Satin Creditcare Network Ltd. (Satin; rated [ICRA]A-(Stable)). All the payouts to the investors in the above-mentioned instrument have 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liquidity position, and rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationale 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

Satin Creditcare Network Ltd. (Satin), which was set up in 1990 to provide individual business loans to urban shopkeepers, started providing group lending services to the rural poor in 2008. It was registered with the Reserve Bank of India (RBI) as a deposit-taking non-banking financial company (NBFC) under the name, Satin Leasing and Finance Company Limited. Following its conversion into a public limited company in 1994, the company was renamed Satin Creditcare Network Ltd. in 2000. It stopped accepting public deposits from November 2004 and the RBI changed its classification to Category B (non-deposit taking) from Category A (deposit taking) in February 2009 and converted it into an NBFC-microfinance institution (NBFC-MFI) in November 2013. The company's microfinance operations are based on the Grameen Bank joint liability group (JLG) model and were spread across 1,096 branches in the country as on June 30, 2023 on a standalone basis and 1,310 branches for the Group as a whole.

Satin is listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE). As on June 30, 2023, the company's consolidated AUM stood at Rs. 9,535 crore. On a consolidated basis, it reported a net profit of Rs. 88 crore in Q1 FY2024 against Rs. 5 crore in FY2023.

Key financial indicators (audited)

Consolidated	FY2022	FY2023	Q1 FY2024
	Audited	Audited	Provisional
Total income	1,381	1,559	459 [^]
Profit after tax	21	5	88
Gross loan portfolio	7,617	9,115	9,535
Gross stage 3	8.0%	3.3%	2.5%
Net stage 3	2.4%	1.5%	1.2%

Source: Company data, ICRA Research; Amount in Rs. Crore

[^] Net of ECL

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust Name	Instrument	Current Rating (FY2024)		Chronology of Rating History for the Past 3 Years					
		Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in 2024		Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021
				Nov 27, 2023	Nov 30, 2022	Sep 08, 2022	-	-	
1 Oceana 01 2022	PTC Series A1	27.95	0.00	[ICRA]AA-(SO) Withdrawn	[ICRA]AA-(SO)	Provisional [ICRA]AA-(SO)	-	-	

Complexity level of the rated instrument

Instrument	Complexity Indicator
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 analyzing 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
Oceana 01 2022	PTC Series A1	August 2022	10.50%	May 2024	0.00	[ICRA]AA-(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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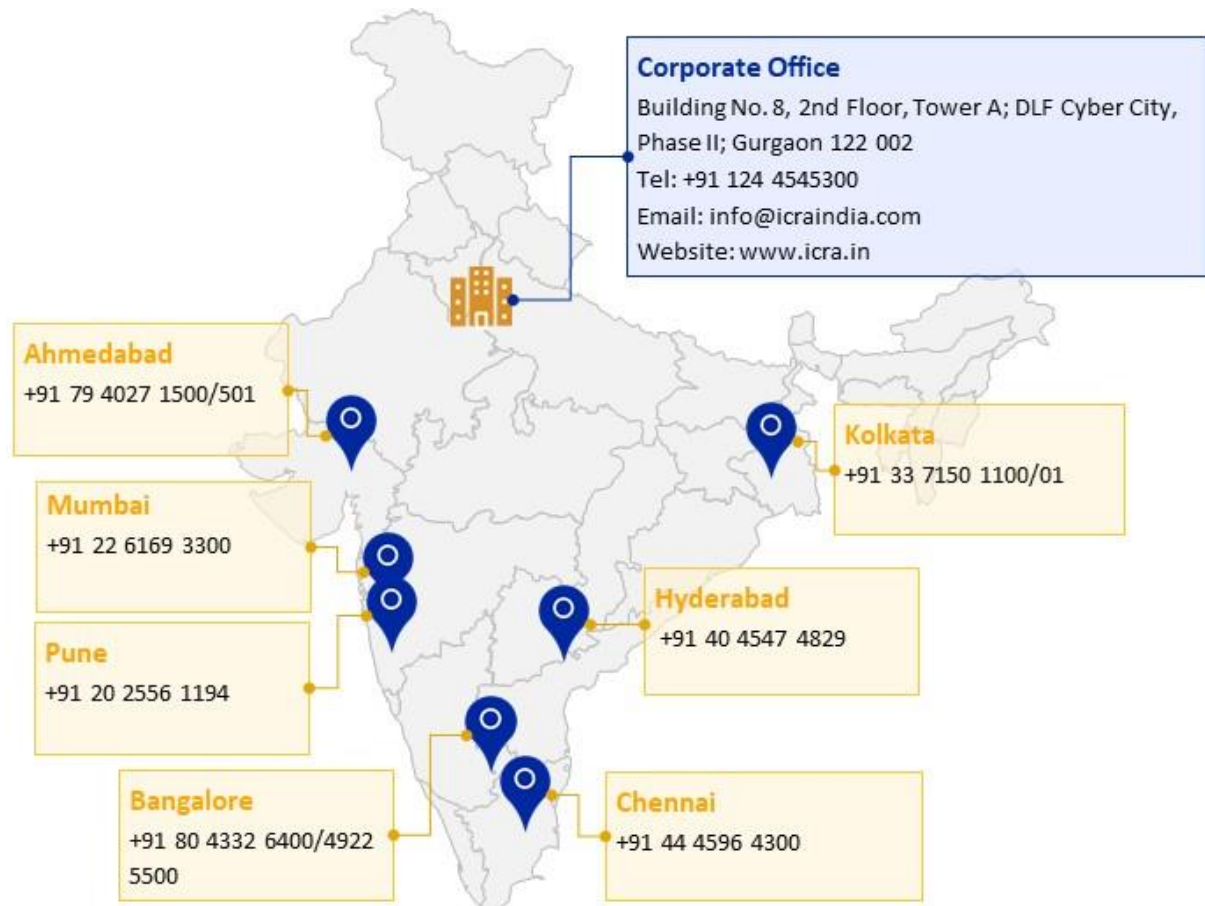
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