

December 28, 2023

Satin Creditcare Network Ltd.: Ratings withdrawn for PTCs issued under microfinance loan securitisation transaction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
KiPlatform M22 - 012	PTC Series A1	34.19	NA	0.00	[ICRA]A+(SO); Withdrawn
	PTC Series A2	1.22	NA	0.00	[ICRA]A-(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings for the pass-through certificates (PTCs) issued under a microfinance loan receivables transaction originated by Satin Creditcare Network Ltd.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 instruments 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liquidity position, and rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn.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, 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 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 1,115 branches in the country as on September 30, 2023 on a standalone basis and 1,335 branches for the Group as a whole.

As on September 30, 2023, its consolidated AUM stood at Rs. 10,100 crore. On a consolidated basis, it reported a net profit of Rs. 195 crore in H1 FY2024 (total comprehensive income (TCI) of Rs. 184 crore) against Rs. 5 crore in FY2023 (TCI of negative Rs. 16 crore).

Key financial indicators

Consolidated	FY2022	FY2023	H1 FY2024
	Audited	Audited	Provisional
Total income	1,381	1,559	997
Profit after tax	21	5	195
Gross loan portfolio	7,617	9,115	10,100
Gross stage 3	8.0%	3.3%	2.4%
Net stage 3	2.4%	1.5%	1.0%

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
					Dec 28, 2023	Dec 08, 2022	Oct 28, 2022		
1 KiPlatform M22 – 012	PTC Series A1	34.19	0.00	[ICRA]A+(SO) Withdrawn	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-	-	
	PTC Series A2	1.22	0.00	[ICRA]A-(SO) Withdrawn	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-	-	

Complexity level of the rated instrument

Instrument	Complexity Indicator
PTC Series A1	Moderately Complex
PTC Series A2	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
KiPlatform M22 – 012	PTC Series A1	October 2022	11.50%	June 2024	0.00	[ICRA]A+(SO); Withdrawn
	PTC Series A2	October 2022	13.50%	June 2024	0.00	[ICRA]A-(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

Sumit Pramanik

+91 22 6114 3462

sumit.pramanik@icraindia.com

Rushabh Gohel

+91 22 6114 3456

rushabh.gohel@icraindia.com

Sachin Joglekar

+91 22 6114 3470

Sachin.joglekar@icraindia.com

Palak Bhatt

+91 22 6114 3450

palak.bhatt@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

Shivkumar@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

About ICRA Limited:

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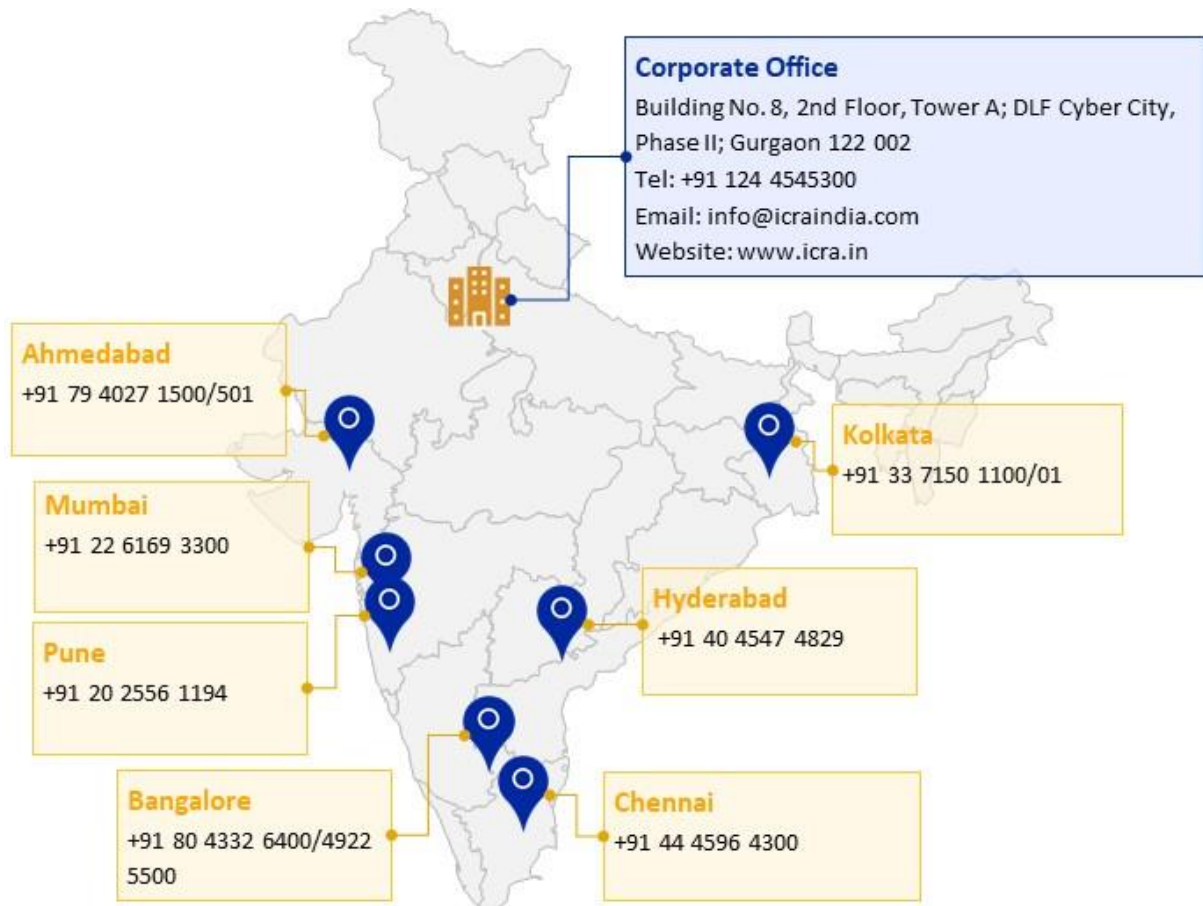
Registered Office

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

Tel: +91 11 23357940-45



Branches



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