

March 07, 2024

## Satin Creditcare Network Limited: Ratings withdrawn for PTCs issued under microfinance loan securitisation transactions

### 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Oceana 04 2022	Series A1 PTC	31.99	0.35	0.00	[ICRA]AAA(SO); Withdrawn
Nimbus 2022 MFI Sukarno	Series A1 PTC	125.00	NA	0.00	[ICRA]AA(SO); Withdrawn
	Series A2 PTC	4.46	NA	0.00	[ICRA]A+(SO); Withdrawn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ICRA has withdrawn the ratings for the pass-through certificates (PTCs) issued under two microfinance loan receivables transactions originated by Satin Creditcare Network Limited (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position, and rating sensitivities have not been captured as the ratings assigned to the instruments have been withdrawn. The previous detailed rating rationales are available at the following links.

Trust Name	Link
Oceana 04 2022	<a href="#">Click Here</a>
Nimbus 2022 MFI Sukarno	<a href="#">Click Here</a>

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Policy on Withdrawal of Credit Rating</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

### About the originator

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 Limited. 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, the company's 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	Audited
<b>Total income</b>	1,381	1,559	997
<b>Profit after tax</b>	21	5	195
<b>Total managed assets</b>	9,988	10,751	12,212
<b>Gross stage 3</b>	7.5%	3.1%	2.4%
<b>CRAR*</b>	27.8%	26.6%	25.7%

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

\*CRAR on standalone basis

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for past three years

	Trust Name	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years				
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating		Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021
					Mar 07, 2024	Jan 29, 2024	Feb 10, 2023	Nov 18, 2022		
1	<b>Oceana 04 2022</b>	Series A1 PTC	31.99	0.00	[ICRA]AAA(SO) Withdrawn	[ICRA]AAA(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-	-

	Trust Name	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years				
		Instrument	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
					Mar 07, 2024		Mar 13, 2023	Dec 30, 2022		
2	<b>Nimbus 2022 MFI Sukarno</b>	Series A1 PTC	125.00	0.00	[ICRA]AA(SO) Withdrawn		[ICRA]AA(SO)	Provisional [ICRA]AA(SO)	-	-
		Series A2 PTC	4.46	0.00	[ICRA]A+(SO) Withdrawn		[ICRA]A+(SO)	Provisional [ICRA]A+(SO)		

### Complexity level of the rated instrument

	Instrument	Complexity Indicator
<b>Oceana 04 2022</b>	Series A1 PTC	Moderately Complex
<b>Nimbus 2022 MFI Sukarno</b>	Series A1 PTC	Moderately Complex
	Series A2 PTC	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
<b>Oceana 04 2022</b>	Series A1 PTC	November 2022	11.50%	August 2024	0.00	[ICRA]AAA(SO); Withdrawn
<b>Nimbus 2022 MFI Sukarno</b>	Series A1 PTC	December 2022	9.95%	August 2024	0.00	[ICRA]AA(SO); Withdrawn
	Series A2 PTC	December 2022	13.00%	August 2024	0.00	[ICRA]A+(SO); Withdrawn

*Source: Company; \*Scheduled PTC maturity date at transaction initiation; may change on account of prepayments*

**Annexure II: List of entities considered for consolidated analysis**

Not Applicable

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