

April 15, 2024

Satin Creditcare Network Limited: Rating withdrawn for PTCs issued under a microfinance loan securitisation transaction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| Oceana 03 2022 | PTC Series A1 | 63.02 | 16.08 | 0.00 | [ICRA]AA-(SO); Withdrawn |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ICRA has withdrawn the rating for the pass-through certificates (PTCs) issued under a microfinance loan receivables transactions originated by Satin Creditcare Network Limited (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liquidity position, and rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn.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 this [link](#).

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, 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 1,165 branches in the country as on December 31, 2023 on a standalone basis and 1,386 branches for the Group on a consolidated basis.

As on December 31, 2023, the company's consolidated assets under management (AUM) stood at Rs. 10,408 crore. On a consolidated basis, it reported a net profit of Rs. 308 crore in 9M FY2024 (total comprehensive income (TCI) of Rs. 307 crore) against Rs. 5 crore in FY2023 (TCI of negative Rs. 16 crore).

Key financial indicators

| Consolidated | FY2022 | FY2023 | 9M FY2024 |
|-----------------------------|---------|---------|-----------|
| | Audited | Audited | Audited |
| Total income | 1,381 | 1,559 | 1,594 |
| Profit after tax | 21 | 5 | 308 |
| Gross loan portfolio | 7,617 | 9,115 | 10,408 |
| Gross stage 3 | 7.5% | 3.1% | 2.4% |
| CRAR* | 27.8% | 26.6% | 28.7% |

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 (FY2025) | | | Chronology of Rating History for the Past 3 Years | | | | |
|---|-----------------------|-------------------------|----------------------------------|--------------------------------|---|-------------------------|-------------------------|---------------------------|-------------------------|
| | | Instrument | Initial Amount Rated (Rs. crore) | Amount Outstanding (Rs. crore) | Date & Rating | Date & Rating in FY2024 | Date & Rating in FY2023 | | Date & Rating in FY2022 |
| | | | | | Apr 15, 2024 | Aug 21, 2023 | Nov 30, 2022 | Sep 08, 2022 | - |
| 1 | Oceana 03 2022 | PTC Series A1 | 63.02 | 0.00 | [ICRA]AA-(SO) Withdrawn | [ICRA]AA-(SO) | [ICRA]AA-(SO) | Provisional [ICRA]AA-(SO) | - |

Complexity level of the rated instrument

| | Instrument | Complexity Indicator |
|-----------------------|---------------|----------------------|
| Oceana 03 2022 | 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 03 2022 | PTC Series A1 | August 2022 | 10.00% | May 2024 | 0.00 | [ICRA]AA-(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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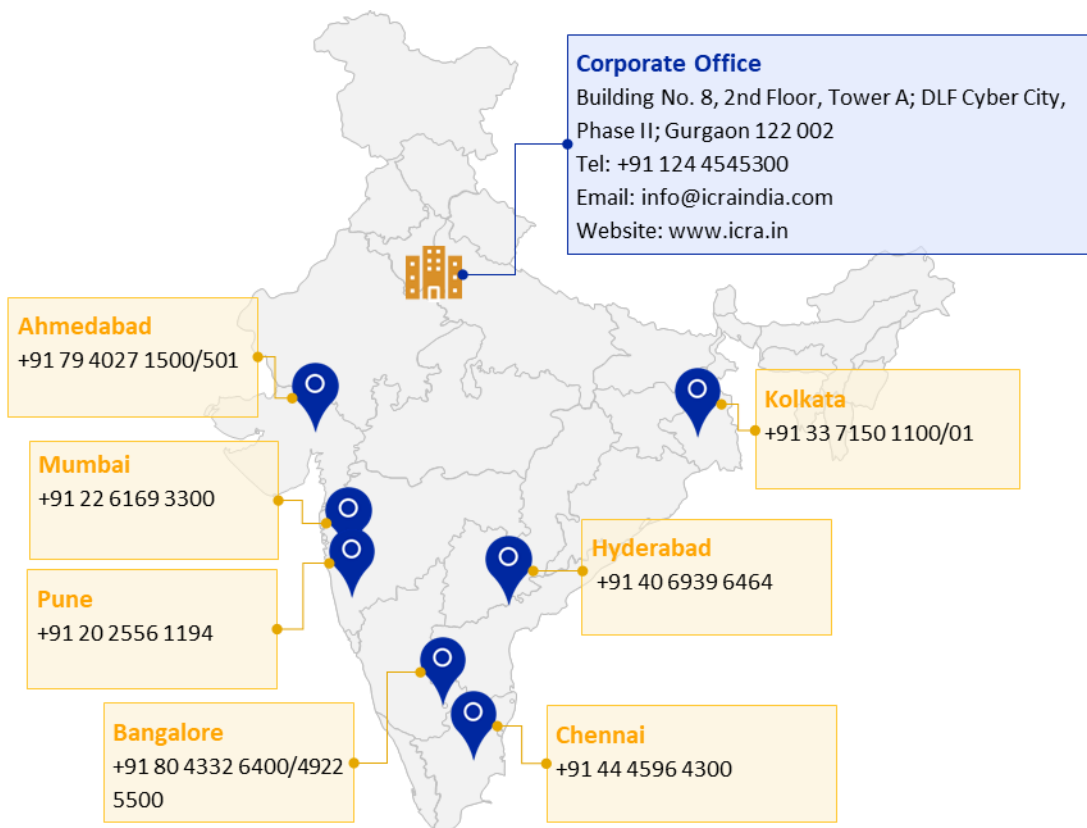
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