

May 10, 2024

## Satin Creditcare Network Limited: Rating withdrawn for Rs. 10-crore subordinated debt programme

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial paper	200.00	200.00	[ICRA]A1; outstanding
Non-convertible debentures	1,050.00	1,050.00	[ICRA]A (Stable); outstanding
Non-convertible debentures^	200.00	200.00	[ICRA]A (Stable); outstanding
Subordinated debt	50.00	50.00	[ICRA]A (Stable); outstanding
Subordinated debt	10.00	0.00	[ICRA]A (Stable); withdrawn
Long-term/Short-term fund-based term bank facilities programme	4,500.00	4,500.00	[ICRA]A (Stable)/[ICRA]A1; outstanding
<b>Total</b>	<b>6,010.00</b>	<b>6,000.00</b>	

\* Instrument details are provided in Annexure I

^ Proposed public issuance

### Rationale

ICRA has withdrawn the [ICRA]A (Stable) rating assigned to Satin Creditcare Network Limited's (SCNL) Rs. 10.0-crore subordinated debt programme as no amount is outstanding against the same. This is in accordance with ICRA's policy on the withdrawal of credit ratings. The key rating drivers, liquidity position, rating sensitivities, and key financial indicators have not been captured as the rated instrument is being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Rating Methodology for Non-banking Finance Companies</a> <a href="#">Policy on Withdrawal of Credit Ratings</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of SCNL. As on March 31, 2024, the company had two subsidiaries, which are enlisted in Annexure II.

### About the company

SCNL, set up in 1990 to grant 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 Limited. Following its conversion into a public limited company in 1994, it 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 model and were spread across 1,236 branches in the country as on March 31, 2024 on a standalone basis and 1,393 branches for the Group as a whole.

As on March 31, 2024, its consolidated assets under management stood at Rs. 11,850 crore. On a consolidated basis, it reported a net profit of Rs. 436 crore in FY2024 (total comprehensive income (TCI) of Rs. 442 crore) against Rs. 5 crore in FY2023 (negative TCI Rs. 16 crore).

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

**Any other information:**

SCNL also faces prepayment risk, given the possibility of debt acceleration upon the breach of covenants, including financial, operating and rating-linked covenants. Upon failure to meet the covenants, if the company is unable to get waivers from the lenders/investors or the lenders/investors do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the ratings would face pressure.

### Rating history for past three years

	Instrument	Type	Current Rating (FY2025)				Chronology of Rating History for the Past 3 Years									
			Amount Rated (Rs. crore)	Amount Outstanding as of Mar 31, 2024 (Rs. crore)	Date & Rating in FY2025		Date & Rating in FY2024					Date & Rating in FY2023			Date & Rating in FY2022	
					May 10, 2024	Apr 19, 2024	Jan 16, 2024	Jan 8, 2024	Dec 26, 2023	Aug 31, 2023	Jun 9, 2023	Mar 28, 2023	Sep 19, 2022	Apr 12, 2022	Jul 20, 2021	Apr 23, 2021
1	Commercial paper	Short term	200	0	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1
2	NCD programme	Long term	-	-	-	-	-	-	[ICRA]A (Stable); withdrawn	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)
3	Subordinated debt	Long term	10	-	[ICRA]A (Stable); withdrawn	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)
4	Fund-based bank facilities programme	Long term/ Short term	4,500	4,103.11	[ICRA]A (Stable)/ [ICRA]A1	[ICRA]A (Stable)/ [ICRA]A1	[ICRA]A (Stable)/ [ICRA]A1	[ICRA]A (Stable)/ [ICRA]A1	[ICRA]A (Stable)/ [ICRA]A1	[ICRA]A- (Stable)/ [ICRA]A1	[ICRA]A- (Stable)/ [ICRA]A1	[ICRA]A- (Negative)/ [ICRA]A1	-	-	-	-
5	NCD programme	Long term	50	50	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Negative)	-	-	-	-
6	NCD programme	Long term	500	450.47	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	-	-	-	-	-
7	Subordinated debt	Long term	-	-	-	-	-	-	-	-	[ICRA]A- (Stable); withdrawn	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)
8	NCD programme^	Long term	200	-	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	-	-	-	-	-	-	-

	Instrument	Current Rating (FY2025)					Chronology of Rating History for the Past 3 Years									
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Mar 31, 2024 (Rs. crore)	Date & Rating in FY2025		Date & Rating in FY2024					Date & Rating in FY2023			Date & Rating in FY2022	
					May 10, 2024	Apr 19, 2024	Jan 16, 2024	Jan 8, 2024	Dec 26, 2023	Aug 31, 2023	Jun 9, 2023	Mar 28, 2023	Sep 19, 2022	Apr 12, 2022	Jul 20, 2021	Apr 23, 2021
9	Subordinated debt	Long term	-	-	-	-	-	-	[ICRA]A (Stable); withdrawn	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)
10	Subordinated debt	Long term	50.00	-	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	-	-	-	-	-	-	-	-	-
11	NCD programme	Long term	500.0	-	[ICRA]A (Stable)	[ICRA]A (Stable)	-	-	-	-	-	-	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity Indicator
NCD programme	Simple
Subordinated debt	Moderately complex
Commercial paper	Very simple
Fund-based bank facilities programme	Simple

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 analysing 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 are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
Not issued	CP programme	NA	NA	NA	97.00	[ICRA]A1
INE836B14291	CP programme	Aug-24-23	9.10%	Jan-19-24	50.00	[ICRA]A1
INE836B14309	CP programme	Aug-29-23	9.50%	Mar-20-24	53.00	[ICRA]A1
INE836B07717	NCD programme	Apr-23	10.95%	Oct-24	50.00	[ICRA]A (Stable)
INE836B07725	NCD programme	Jun-23	NA	Jun-25	20.00	[ICRA]A (Stable)
INE836B07733	NCD programme	Jun-23	NA	May-27	53.82	[ICRA]A (Stable)
INE836B07741	NCD programme	Jul-23	NA	Jan-25	15.00	[ICRA]A (Stable)
INE836B07766	NCD programme	Aug-23	NA	Aug-27	14.17	[ICRA]A (Stable)
INE836B07758	NCD programme	Aug-23	NA	Aug-27	26.83	[ICRA]A (Stable)
INE836B07774	NCD programme	Aug-23	NA	May-25	20.00	[ICRA]A (Stable)
INE836B07782	NCD programme	Oct-23	NA	Jan-26	50.00	[ICRA]A (Stable)
INE836B07816	NCD programme	Nov-23	NA	May-25	35.00	[ICRA]A (Stable)
INE836B07790	NCD programme	Nov-23	NA	Sep-26	100.00	[ICRA]A (Stable)
INE836B07808	NCD programme	Nov-23	NA	Mar-25	20.00	[ICRA]A (Stable)
INE836B07824	NCD programme	Dec-23	NA	Dec-28	45.65	[ICRA]A (Stable)
To be issued	NCD programme	NA	NA	NA	49.53	[ICRA]A (Stable)
To be issued	NCD programme	NA	NA	NA	50.00	[ICRA]A (Stable)
To be issued	NCD programme	NA	NA	NA	200.00 <sup>^</sup>	[ICRA]A (Stable)
To be issued	NCD programme	NA	NA	NA	500.00	[ICRA]A (Stable)
INE836B08285	Subordinated debt	Jan-24	12.75%	Jul-29	50.00	[ICRA]A (Stable)
INE836B08277	Subordinated debt	Jun-29-2016	15.00%	Dec-31-2023	10.00	[ICRA]A (Stable); withdrawn
NA	LT/ST fund-based bank facilities	Jun-18 to Nov-23	9.95% to 12.5%	Jul-23 to Jul-26	4,500	[ICRA]A (Stable)/[ICRA]A1

Source: Company; <sup>^</sup>Proposed public issuance; CP details as on Dec 31, 2023

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

Company Name	SCNL Ownership	Consolidation Approach
Satin Finserv Limited	100.00%	Full Consolidation
Satin Housing Finance Limited	100.00%	Full Consolidation

Source: SCNL

## ANALYST CONTACTS

**Karthik Srinivasan**  
+91 22 6114 3444  
[karthiks@icraindia.com](mailto:karthiks@icraindia.com)

**A M Karthik**  
+91 44 4596 4308  
[a.karthik@icraindia.com](mailto:a.karthik@icraindia.com)

**Prateek Mittal**  
+91 33 7150 1100  
[prateek.mittal@icraindia.com](mailto:prateek.mittal@icraindia.com)

**Jatin Arora**  
+91 124 4545 864  
[jatin.arora@icraindia.com](mailto:jatin.arora@icraindia.com)

**Arpit Agarwal**  
+91 124 4545 873  
[arpit.agarwal@icraindia.com](mailto:arpit.agarwal@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**  
+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

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

Tel: +91 11 23357940-45



### Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.