

June 24, 2024

Satin Creditcare Network Limited: Ratings withdrawn for PTCs issued under a microfinance loan securitisation transaction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
Hibiscus 2022	Series A1 SN	96.10	NA	0.00	[ICRA]AA(SO); Withdrawn
	Series A2 SN	5.65	NA	0.00	[ICRA]A-(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

The pass-through certificates (PTCs) are backed by microfinance loan receivables originated by Satin Creditcare Network Limited (Satin; rated [ICRA]A(Stable)). All the payouts to the investor in the above-mentioned instruments have been made and no further payments are due to the investor. 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liquidity position, and rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn.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 1,236 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 (AUM) 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 of Rs. 16 crore).

Key financial indicators

Consolidated	FY2022	FY2023	FY2024
	Audited	Audited	Audited
Total income	1,381	1,559	2,241
Profit after tax	21	5	436
Gross loan portfolio	7,617	9,115	11,850
Gross stage 3	7.5%	3.1%	NA
CRAR*	27.8%	26.6%	27.7%

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	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
					June 24, 2024	June 21, 2023	March 23, 2023	-
1	Hibiscus 2022	Series A1 SN	96.10	0.00	[ICRA]AA(SO) Withdrawn	[ICRA]AA(SO)	Provisional [ICRA]AA(SO)	-
		Series A2 SN	5.65	0.00	[ICRA]A-(SO) Withdrawn	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-

Complexity level of the rated instrument

	Instrument	Complexity Indicator
Hibiscus 2022	Series A1 SN	Moderately Complex
	Series A2 SN	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
Hibiscus 2022	Series A1 SN	March 2023	10.50%	January 2025	0.00	[ICRA]AA(SO); Withdrawn
	Series A2 SN		14.10%		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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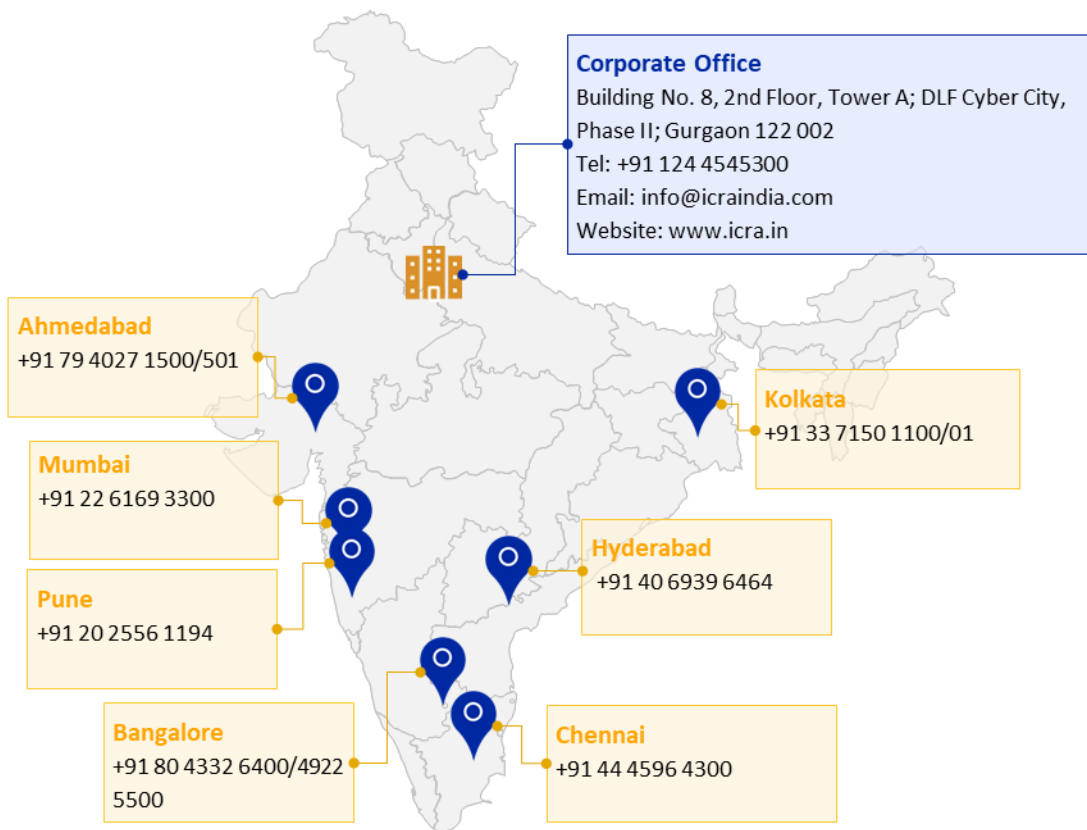
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