

November 14, 2024

Satin Creditcare Network Limited: Ratings withdrawn for PTCs issued under three microfinance loan securitisation transactions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 Rated Amount (Rs. crore)	Rating Action
Orchard 2022	Series A2 PTC	2.57	2.57	0.00	[ICRA]A-(SO); Withdrawn
Tulip 2023	Series A1 PTC	28.99	9.76	0.00	[ICRA]A+(SO); Withdrawn
Nimbus 2023 MFI	Series A1 PTC	115.32	42.44	0.00	[ICRA]AA(SO); Withdrawn
Gorky	Series A2 PTC	5.49	4.90	0.00	[ICRA]A+(SO); Withdrawn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/ Originator; rated [ICRA]A(Stable)/[ICRA]A1). 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position, and rating sensitivities have not been captured as the ratings assigned to the instruments have been withdrawn.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 of surveillance exercises are available at the following links:

For Orchard 2022: [Link](#)

For Tulip 2023: [Link](#)

For Nimbus 2023 MFI Gorky: [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, 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 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 1,447 branches spread across 27 states/ union territories on a consolidated basis as on June 30, 2024.

As on June 30, 2024, its consolidated assets under management (AUM) stood at Rs. 11,706 crore. On a consolidated basis, it reported a net profit of Rs. 105 crore in Q1 FY2025 (total comprehensive income (TCI) of Rs. 106 crore) against Rs. 88 crore in Q1 FY2024 (TCI of Rs. 76 crore).

Key financial indicators

Satin Creditcare Network Limited		FY2023	FY2024	Q1 FY2025
		Audited	Audited	Unaudited
Total income		1,762	2,051	582
Profit after tax		264	423	103
Total managed assets		10,070	12,922	12,993E
Gross NPA		3.3%	2.5%	2.7%
CRAR		26.6%	27.7%	27.9%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; E - estimated

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

S. No.	Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years				
			Initial Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Date & Rating in FY2025		Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
					Nov 14, 2024	May 06, 2024			
1	Orchard 2022	Series A2 PTC	2.57	0.00	[ICRA]A-(SO) Withdrawn	[ICRA]A-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-

S. No.	Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years				
			Initial Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Date & Rating in FY2025		Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
					Nov 14, 2024	Apr 29, 2024			
2	Tulip 2023	Series A1 PTC	28.99	0.00	[ICRA]A+(SO) Withdrawn	[ICRA]A+(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-

S. No.	Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years				
			Initial Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Date & Rating in FY2025		Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
					Nov 14, 2024	May 06, 2024			
3	Nimbus 2023	Series A1 PTC	115.32	0.00	[ICRA]AA(SO) Withdrawn	[ICRA]AA(SO)	[ICRA]AA(SO)	Provisional [ICRA]AA(SO)	-
	MFI Gorky	Series A2 PTC	5.49	0.00	[ICRA]A+(SO) Withdrawn	[ICRA]A+(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Orchard 2022	Series A2 PTC	Moderately Complex
Tulip 2023	Series A1 PTC	Moderately Complex
Nimbus 2023 MFI Gorky	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	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Current Rated Amount (Rs. crore)	Current Rating
Orchard 2022	Series A2 PTC	March 23, 2023	14.10%	January 17, 2025	0.00	[ICRA]A-(SO); Withdrawn
Tulip 2023	Series A1 PTC	June 06, 2023	12.10%	February 27, 2025	0.00	[ICRA]A+(SO); Withdrawn
Nimbus 2023 MFI Gorky	Series A1 PTC	June 06, 2023	10.25%	February 27, 2025	0.00	[ICRA]AA(SO); Withdrawn
	Series A2 PTC		13.00%		0.00	[ICRA]A+(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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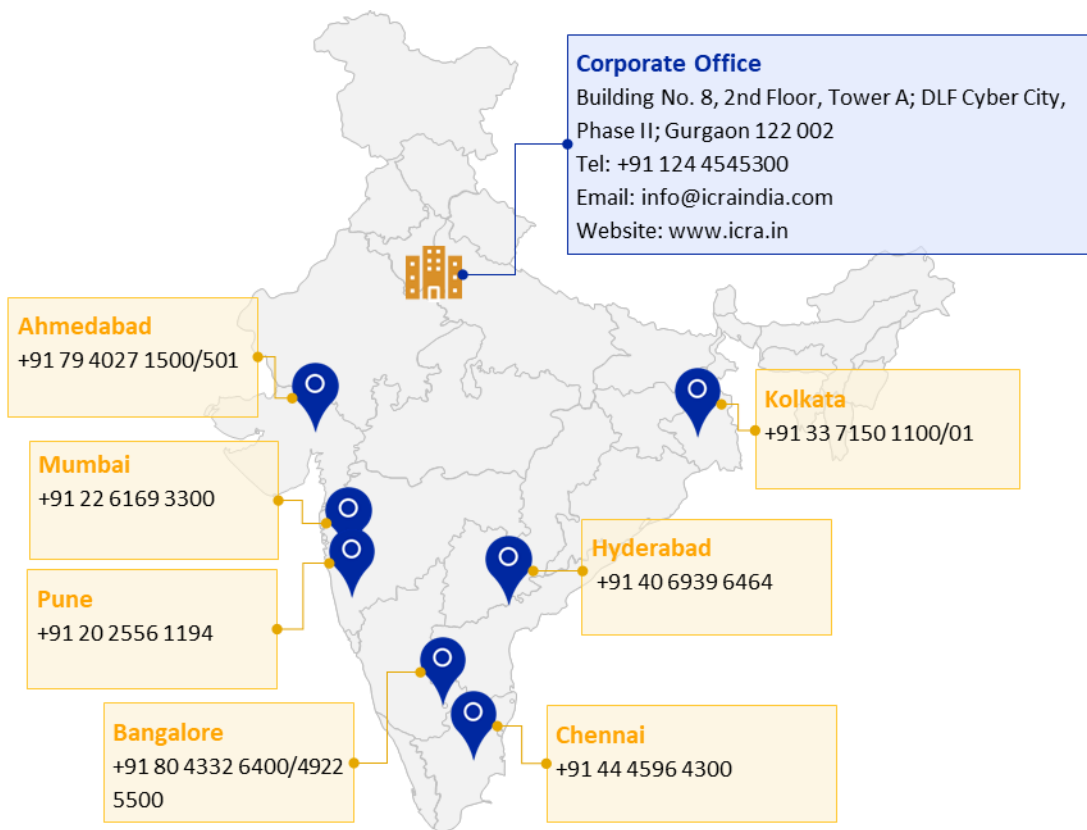
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