

February 13, 2024

## Satin Creditcare Network Limited: Rating withdrawn for term loan facility

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Term loan	7.66	0.00	[ICRA]A(CE) (Stable); withdrawn
Commercial paper	200.00	200.00	[ICRA]A1; outstanding
Non-convertible debentures	550.00	550.00	[ICRA]A (Stable); outstanding
Non-convertible debentures <sup>^</sup>	200.00	200.00	[ICRA]A (Stable); outstanding
Subordinated debt	10.00	10.00	[ICRA]A (Stable); outstanding
Subordinated debt	50.00	50.00	[ICRA]A (Stable); outstanding
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>5,517.66</b>	<b>5,510.00</b>	

\*Instrument details are provided in Annexure I; <sup>^</sup>Proposed public issuance

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement

### Rationale

ICRA has withdrawn the rating assigned to the term loan facility of Satin Creditcare Network Limited (SCNL). All the payouts to the lender in the term loan facility have been made and no further payments are due. The key rating drivers, liquidity position, and rating sensitivities have not been captured as the rating assigned to the term loan facility has been withdrawn. The previous detailed rating rationale is available at this [link](#).

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Policy on withdrawal of credit ratings</a> <a href="#">Rating Methodology for Non-banking Finance Companies</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

### About the originator

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 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, its 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 (audited; consolidated)

Satin Creditcare Network Limited	FY2022	FY2023	H1 FY2024
Total income	1,381	1,559	997
Profit after tax	21	5	195
Gross AUM	7,617	9,115	10,100
Gross stage 3*	8.0%	3.3%	2.4%
Net stage 3*	2.4%	1.5%	1.0%

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

\*Gross stage 3 and Net stage 3 on standalone basis

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

Any other information: None

### Rating history for past three years

	Instrument	Type	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years			
			Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2024		Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
					February 13, 2024	June 02, 2023			April 18, 2022	-
1	Term loan	Long term	40.00	0.00	[ICRA]A(CE) (Stable); withdrawn	[ICRA]A(CE) (Stable)	[ICRA]A(CE) (Stable)	-	[ICRA]A(CE) (Stable)	Provisional [ICRA]A (CE) (Stable)

For details on other ICRA-rated instruments of the company, refer to the rationale [here](#)

### Complexity level of the rated instrument

Transaction Name	Instrument	Complexity Indicator
Vivriti Venus Trust 2020	Term Loan	Highly 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 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 / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan	Sep 2020	11.6%	Sep 2023^	0.00	[ICRA]A(CE) (Stable); withdrawn

<sup>^</sup>Expected maturity date; Legal maturity date is Sep 2024

Source: Company

For details on other ICRA-rated instruments of the company, refer to the rationale [here](#)

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

Not Applicable

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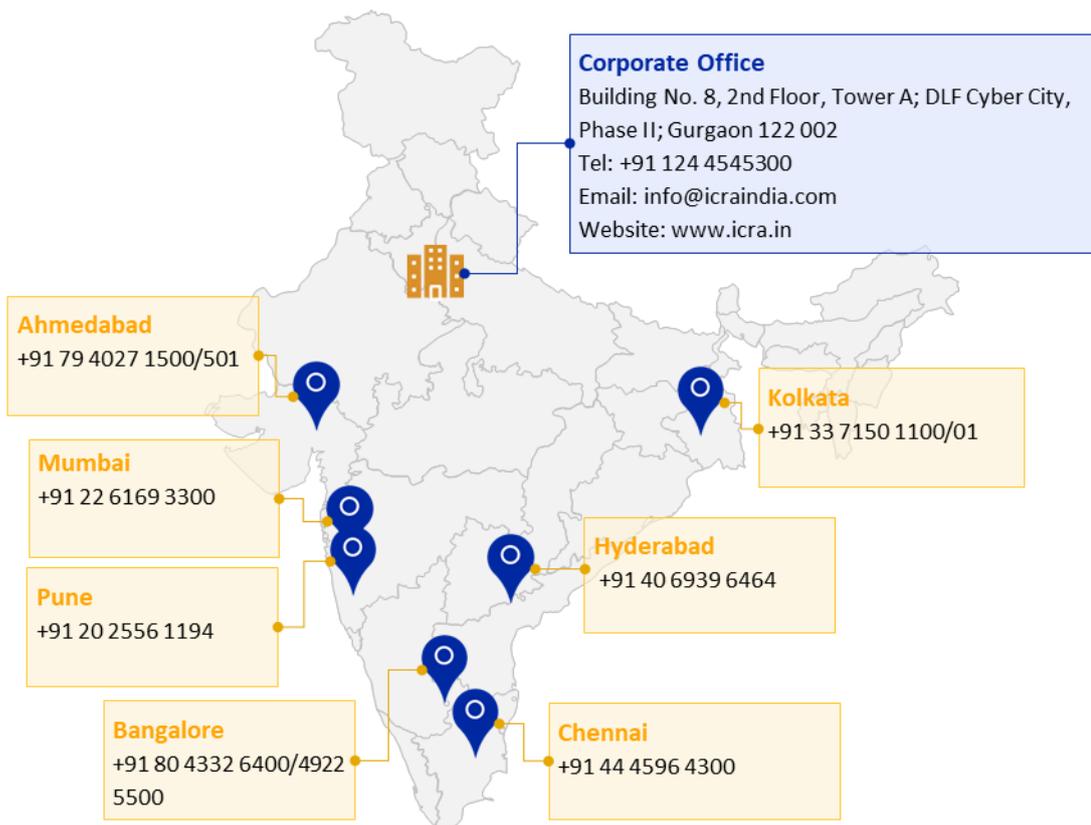
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