

May 10, 2024 (Revised)

## Satin Creditcare Network Limited: Rating withdrawn for Rs. 10-crore subordinated debt programme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Subordinated debt	10.00	0.00	[ICRA]A (Stable); withdrawn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ICRA has withdrawn the [ICRA]A (Stable) rating assigned to Satin Creditcare Network Limited's (SCNL) Rs. 10.0-crore subordinated debt programme as no amount is outstanding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position, rating sensitivities, and key financial indicators have not been captured as the rated instrument is being withdrawn.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	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
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	24-Aug-24	9.10%	19-Jan-24	50.00	[ICRA]A1
INE836B14309	CP programme	29-Aug-23	9.50%	20-Mar-24	53.00	[ICRA]A1
INE836B07717	NCD programme	06-Apr-23	10.95%	06-Oct-24	50.00	[ICRA]A (Stable)
INE836B07725	NCD programme	22-Jun-23	11.00%	20-Jun-25	20.00	[ICRA]A (Stable)
INE836B07733	NCD programme	28-Jun-23	10.90%	08-May-27	53.82	[ICRA]A (Stable)
INE836B07741	NCD programme	28-Jul-23	10.90%	28-Jan-25	15.00	[ICRA]A (Stable)
INE836B07766	NCD programme	14-Aug-23	10.85%	14-Aug-27	14.17	[ICRA]A (Stable)
INE836B07758	NCD programme	09-Aug-23	10.85%	09-Aug-27	26.83	[ICRA]A (Stable)
INE836B07774	NCD programme	21-Aug-23	10.95%	21-May-25	20.00	[ICRA]A (Stable)
INE836B07782	NCD programme	13-Oct-23	11.00%	13-Jan-26	50.00	[ICRA]A (Stable)
INE836B07816	NCD programme	24-Nov-23	10.90%	23-May-25	35.00	[ICRA]A (Stable)
INE836B07790	NCD programme	01-Nov-23	13.00%	11-Sep-26	100.00	[ICRA]A (Stable)
INE836B07808	NCD programme	07-Nov-23	10.90%	28-Mar-25	20.00	[ICRA]A (Stable)
INE836B07824	NCD programme	01-Dec-23	11.70%	01-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^	[ICRA]A (Stable)
To be issued	NCD programme	NA	NA	NA	500.00	[ICRA]A (Stable)
INE836B08285	Subordinated debt	19-Jan-24	12.75%	19-Jul-29	50.00	[ICRA]A (Stable)
INE836B08277	Subordinated debt	29-Jun-16	15.00%	31-Dec-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; ^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

## Corrigendum

Document dated May 10, 2024, has been corrected with revisions as detailed below.

Revision: Coupon rates corresponding to certain ISINs have been added. The format of date of issuance and maturity date for ISINs has been revised for certain ISINs.

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