March 17, 2025

Fincare Small Finance Bank Limited: Rating withdrawn for PTCs issued under microfinance loan receivables securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Previous rated Amount(Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Madurai Aug 2023	Series A1 PTCs	135.53	7.89	0.00	[ICRA]AAA(SO); Withdrawn

**Instrument details are provided in Annexure I*

Rationale

ICRA has withdrawn the ratings for the pass-through certificates (PTCs) issued under a microfinance loan receivables transaction originated by Fincare Small Finance Bank Limited. The trustee has confirmed that there are no further payouts due to the PTC investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn. The previous detailed rating rationale of previous rating exercise is available at the following link: Click here

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

Fincare Small Finance Bank Limited (Fincare) converted into a small finance bank (SFB) in July 2017 from a microfinance institution (Disha Microfin Limited) registered as a non-deposit accepting, non-banking financial company (NBFC) with the Reserve Bank of India (RBI). With effect from April 1, 2024, Fincare Small Finance Bank Limited (Fincare) has amalgamated with AU Small Finance Bank Limited (AU SFB).

AU SFB is a scheduled commercial bank, which transitioned to a small finance bank from an asset financing NBFC. While it was incorporated in 1996 as an NBFC, it commenced SFB operations on April 19, 2017 after receiving the final licence on December 20, 2016. The RBI had granted in-principle approval in September 2015. AU SFB got listed on the stock exchanges in July 2017 and was granted scheduled commercial bank status in November 2017.

EXHIBIT 1. Key Financial Indicators (audited)

AU SFB	FY2023	FY2024	9MFY2025*
Accounting as per	IGAAP	IGAAP	IGAAP
Total income	9,240	12,252	13,559
Profit after tax (PAT)	1,428	1,535	1,602
Total assets	90,216	1,09,426	1,43,044
CRAR	23.6%	20.1%	19.0%
GNPA	1.66%	1.67%	2.31%

*Source: Company, ICRA Research; Amount in Rs. Crore;*provisional*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust Name	Instrument	Current Rating (FY2025)				Chronology of Rating History for the Past 3 Years			
		Initial amount rated (Rs.crore)	Amount Outstanding (Rs. crore)	Date and Rating in FY2025		Date and Rating in FY2024		Date and Rating in FY2023	Date and Rating in FY2022
				March 17, 2025	Nov 18, 2024	Nov 28, 2023	Sep 04,2023		
Madurai Aug 2023	Series A1 PTCs	135.53	0.00	[ICRA]AAA(SO) (Withdrawn)	[ICRA]AAA(SO)	[ICRA]AA-(SO)	Provisional [ICRA]AA-(SO)		

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Madurai Aug 2023	Series A1 PTCs	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 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, is available on ICRA's website Click here

Annexure I: Instrument details

Trust Name	Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating
Madurai Aug 2023	Series A1 PTCs	August 22, 2023	8.85%	January 31,2025	0.00	[ICRA]AAA(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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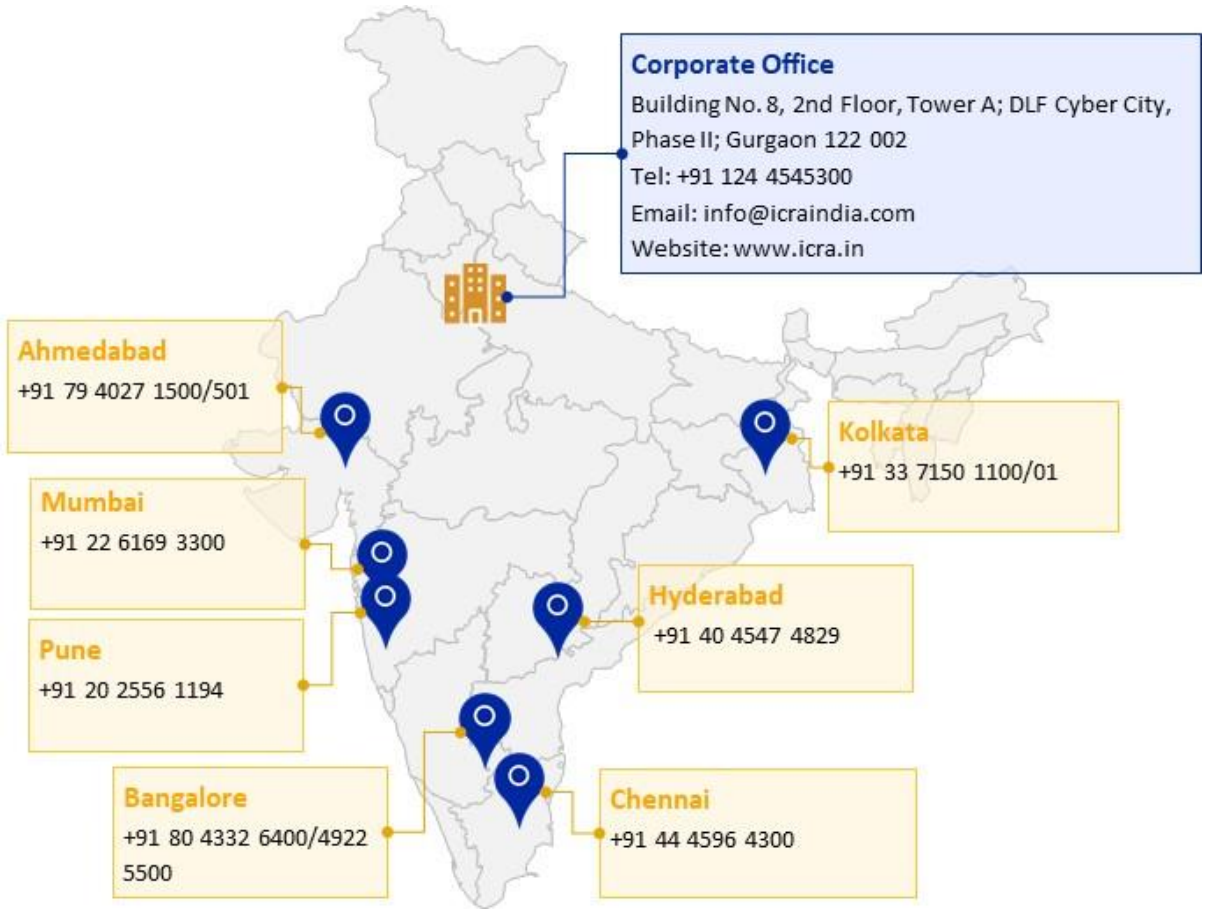

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