

February 24, 2026

Satin Creditcare Network Limited: Rating reaffirmed for PTCs issued under a 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
Rover 2025	Series A1 PTC	144.04	144.04	29.85	[ICRA]AA+(SO); Reaffirmed

*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 (SCNL/Originator). SCNL is also the servicer for the rated transaction.

The rating reaffirmation factors in the build-up of the credit enhancement cover over the future PTC payouts on account of high amortisation and healthy pool performance. The rating also draws comfort from the fact that the breakeven collection efficiency is lower than the actual collection level observed in the pool till the January 2026 payout month.

Pool performance summary

Parameter	Rover 2025
Payout month	January 2026
Months post securitisation	11
Pool amortisation	68.49%
PTC amortisation	79.28%
Cumulative collection efficiency [1]	98.16%
Loss-cum-30+ days past due (dpd; % of initial pool principal) [2]	2.31%
Loss-cum-90+ dpd (% of initial pool principal) [3]	1.86%
Cumulative prepayment rate [4]	13.07%
Cumulative cash collateral (CC) utilisation	0.0%
CC available (as % of balance pool principal)	22.22%
Excess interest spread (EIS [5]; as % of balance pool principal)	7.86%
Breakeven collection efficiency [6] for PTC Series A1	33.53%

Note:

1. $(\text{Cumulative current and overdue collections till date}) / (\text{Cumulative billing till date} + \text{Opening overdues at the start of the transaction})$
2. $\text{Principal outstanding (POS) on contracts aged 90+ dpd} + \text{Overdues} / \text{Initial POS on the pool}$
3. $\text{POS on contracts aged 180+ dpd} + \text{Overdues} / \text{Initial POS on the pool}$
4. $\text{Sum of prepayment of contracts till date} / \text{Initial pool principal}$
5. $(\text{Pool cash flows till pool maturity} - \text{Cash flows to PTC investors} - \text{Originator's residual share}) / \text{Pool principal outstanding}$
6. $(\text{Balance cash flows payable to investor} - \text{CC available}) / \text{Balance pool cash flows till PTC maturity}$

Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout. The principal is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. The residual cash flow available, after making the promised and expected payments, shall flow back to the Originator on every payout date. All prepayment amounts would be passed on to Series A1 PTC (till Series A1 PTC principal is not fully amortised) every month and future payouts will be revised accordingly.

Reset of Credit Enhancement

At Originator's request for resetting the credit enhancement, ICRA has analysed the transaction, basis the CC mentioned in the table provided below. Based on the pools' performance, the rating for the PTCs will remain unchanged even after the CC amount is reset. The CC reset shall be subject to the approval of the PTC investors. However, as per regulatory guidelines, the amount of CC that can be released would be restricted to 60% of the difference between the current CC amount and the revised CC amount allowed by ICRA.

Transaction name	Current CC outstanding [A]	CC required as per ICRA for maintaining present rating [B]	CC that can be released [C]= 60%*(A - B)	Revised CC limit [D] = (A - C)
Rover 2025	11.52	3.46	4.84	6.68

Amount in Rs. crore

Key rating drivers and their description

Credit strengths

Build-up of credit enhancement available in the structure – The rating factors in the build-up in the credit enhancement with the subordination increasing to ~42% of the balance pool principal from 12.5% at the time of securitisation. Credit support is also available through cash collateral (CC) of ~22% and excess interest spread (EIS) of ~8% of the balance pool principal.

Healthy performance of pool – The pool has exhibited strong performance with a cumulative collection efficiency of ~98% till the January 2026 payout month. This has resulted in low delinquencies in the pool with the 90+ days past due (dpd) at ~2% after January 2026 payout month. The breakeven collection efficiency has also declined significantly for the transaction. Further, there have been no instances of CC utilisation in the pool till date owing to the strong collection

Track record of SCNL – The company has an established track record of more than two decades in the lending business with adequate underwriting policies and collection procedures. It has sufficient processes for servicing the loan accounts in the securitised pool.

Credit challenges

High geographical concentration – The pool has high geographical concentration with the top 3 states, viz. Bihar, Uttar Pradesh and West Bengal, contributing ~63% to the pool principal after January 2026 payout month. The pool’s performance would thus be exposed to any state-wide disruption that may occur due to natural calamities, political events, etc. Nonetheless, the contracts are well-diversified across multiple districts with the top 10 districts forming ~28% of the pool amount after January 2026 payout month, which alleviates the concentration risk to some extent.

Risks associated with lending business – The pools’ performance would remain exposed to macro-economic shocks, business disruptions and natural calamities that may impact the income-generating capability of the borrowers and their ability to make timely repayments of their loans. The performance of microfinance loans would also be exposed to political and communal risks.

Increasing delinquencies in microfinance sector – The microfinance sector has seen a decline in collections and a consequent rise in delinquencies since the previous fiscal on account of multiple factors like heat waves, general elections, borrower overleveraging and attrition in collection teams. The sustained impact, if any, of these factors on the collections from the pool would be monitorable

Key rating assumptions

ICRA’s cash flow modelling for rating securitisation transactions involves the simulation of potential losses, delinquencies and prepayments in the pool. The losses and prepayments are assumed to follow a log-normal distribution. The assumptions for the losses and the coefficient of variation are considered on the basis of the values observed from the analysis of the past performance of the Originator’s loan portfolio as well as the characteristics of the specific pool being evaluated. The resulting collections from the pool, after incorporating the impact of the losses and prepayments, are accounted for in ICRA’s cash flow model, in accordance with the cash flow waterfall of the transaction.

For the current pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 2.50%, with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 2.4% to 9% per annum. Various possible scenarios have been simulated at stressed loss levels and prepayment rates and the incidences of default to the investor as well as the extent of losses are measured after factoring in the credit enhancement to arrive at the final rating for the instrument.

Details of key counterparties

The key counterparties in the rated transaction is as follows:

Transaction name	Rover 2025
Originator	Satin Creditcare Network Limited
Servicer	Satin Creditcare Network Limited
Trustee	Catalyst Trusteeship Limited
CC holding bank	HSBC Bank
Collection and payout bank	HSBC Bank

Liquidity position: Superior

The liquidity for Series A1 PTC is superior after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement would be ~7.75 times the estimated loss in the pool.

Rating sensitivities

Positive factors – The sustained strong collection performance of the underlying pool of contracts (monthly collection efficiency >95%), leading to lower-than-expected delinquency levels, and an increase in the cover available for future investor payouts from the credit enhancement would result in a rating upgrade.

Negative factors – The sustained weak collection performance of the underlying pool of contracts (monthly collection efficiency <90%), leading to higher-than-expected delinquency levels and higher credit enhancement utilisation levels, would result in a rating downgrade. Weakening in the credit profile of the servicer (Satin) could also exert pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Securitisation Transactions
Parent/group Support	Not Applicable
Consolidation/standalone	Not Applicable

The rating action is based on the performance of the pool till the January 2026 payout month (December 2025 collection month), the present delinquency profile of the pool, the credit enhancement available in the transaction, and the performance expected over the balance tenure of the pool.

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 deposit-taking NBFC 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 (JLG) model and were spread across 1,616 branches in the country as on September 30, 2025 on a standalone basis and 1,713 branches on a consolidated basis. As on September 30, 2025, the consolidated AUM stood at Rs. 12,687 crore. On a consolidated basis, SCNL reported a net profit of Rs. 53 crore in Q2FY2026.

Key financial indicators (audited)

Key Financial Indicators (standalone)

Satin Creditcare Network Limited	FY2024	FY2025	H1FY2026*
	Audited	Audited	Provisional
Total income	2,051	2,377	1,358
Profit after tax	423.0	217.0	95.0
Total managed assets	12,934	13,517	18,804
Gross NPA	2.5%	3.7%	3.5%
CRAR	27.7%	25.8%	26.3%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; *Limited review of financials

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Rating history for past three years

Trust name	Instrument	Initial amount rated (Rs. crore)	Current rating (FY2026)		Chronology of rating history For the past 3 years			
			Current amount rated (Rs. crore)	Date & rating in FY2026		Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
				February 24, 2026	July 10, 2025			
Rover 2025	Series A1 PTC	144.04	29.85	[ICRA]AA+(SO)	[ICRA]AA+(SO)	Provisional [ICRA]AA+(SO)	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Series A1 PTC	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

Trust name	ISIN	Instrument name	Date of issuance / sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
Rover 2025	NA	Series A1 PTC	February 28, 2025	9.25%	February 13, 2027	29.85	[ICRA]AA+(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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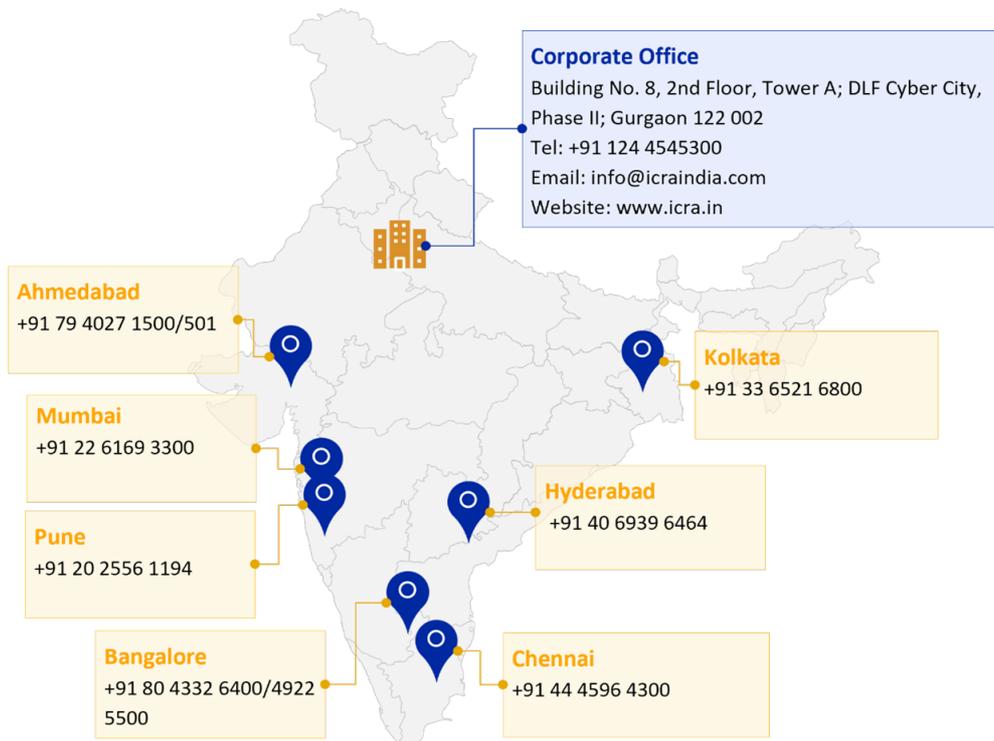


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