

May 20, 2026

## Satin Creditcare Network Limited: Rating confirmed as final for PTCs backed by microfinance loan receivables issued by SATLUJ 2023

### Summary of rating action

Trust name	Instrument*	Current rated amount (Rs. crore)	Rating action
SATLUJ 2023	Series A1 PTCs	81.84	[ICRA]AA-(SO); provisional rating confirmed as final

\*Instrument details are provided in Annexure II

### Rationale

ICRA had assigned provisional rating to the pass-through certificates (PTCs) issued by SATLUJ 2023 under a securitisation transaction originated by Satin Creditcare Network Limited (SCNL/Originator; rated [ICRA]A (Stable)). The PTCs are backed by a pool of microfinance loan receivables originated by SCNL with an aggregate principal outstanding of 90.94 crore (pool receivables of Rs. 110.32 crore). SCNL is also the servicer for the transaction.

Since the executed transaction documents are in line with the rating conditions and the legal opinion for the transaction has been provided to ICRA, the said rating has now been confirmed as final.

### Pool performance summary

Parameter	SATLUJ 2023
Payout month	April 2026
Months post securitisation	4
Pool amortisation	20.17%
Series A1 PTC Amortisation	22.41%
Cumulative prepayment rate	2.30%
Cumulative collection efficiency <sup>1</sup>	99.28%
Loss-cum 0+ days past due (dpd) <sup>2</sup>	0.95%
Loss cum 30+ dpd <sup>3</sup>	0.80%
Loss cum 90+ dpd <sup>4</sup>	0.29%
Cumulative cash collateral (CC) utilisation	0.00%

### 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. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. However, on the occurrence of predefined trigger events, the residual EIS every month shall be utilised for accelerating the principal payment due to Series A1 PTC. Any prepayment in the pool would be used for the prepayment of Series A1 PTC principal.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 5.50% of the initial pool principal,

<sup>1</sup> Cumulative collections/ (Cumulative billings + Opening overdues at the time of securitisation)

<sup>2</sup> Principal outstanding on contracts aged 0+ dpd / Principal outstanding on the pool at the time of securitisation

<sup>3</sup> Principal outstanding on contracts aged 30+ dpd / Principal outstanding on the pool at the time of securitisation

<sup>4</sup> Principal outstanding on contracts aged 90+ dpd / Principal outstanding on the pool at the time of securitisation

amounting to Rs. 5.00 crore, provided by the Originator, (ii) subordination of 10.00% of the initial pool principal for Series A1 PTC, and (iii) the EIS of 15.22% of the initial pool principal for Series A1 PTC.

## Key rating drivers and their description

### Credit strengths

**Granular pool supported by presence of credit enhancement** – The pool is granular, consisting of 21,974 contracts, with top 10 contract forming only 0.07% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of the CC, subordination and EIS would absorb some amount of the losses in the pool and provide support in meeting the PTC payouts.

**No overdue contracts in the pool** – The pool has been filtered in such a manner that there are no overdue contracts as on the cut-off date.

**Seasoned contracts in the pool** – The pool has amortised by almost ~16% as on the cut-off date with no delinquencies seen in any of the contracts.

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

### Credit challenges

**High geographical concentration** – The pool has high geographical concentration with the top 3 states, viz. Assam, Uttar Pradesh and Bihar contributing ~72% to the initial pool principal amount. The pool's performance would thus be exposed to any state-wide disruption that may occur due to natural calamities, political events, etc.

**Risks associated with lending business** – The pool 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 consequently rise in delinquencies since the previous fiscal on account of multiple factors like heat wave, general elections, borrower overleveraging and attrition in collection teams. Any sustained impact of these factors on the collections from the pool would be monitorable.

### Key rating assumption

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 4.75%, 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 are as follows:

Transaction name	SATLUJ 2023
Originator	Satin Creditcare Network Limited
Servicer	Satin Creditcare Network Limited
Trustee	Catalyst Trusteeship Limited
CC holding bank	Bandhan Bank
Collection and payout bank	Bandhan Bank

### Liquidity position: Strong

The liquidity for the instrument in the transaction is strong after factoring in the credit enhancement available to meet the promised payouts to the investors. The total credit enhancement would be ~5.75 times in the pool for Series A1 PTCs.

### 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 (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 could also exert pressure on the rating.

### Analytical approach

The rating action is based on the trustee confirming compliance with the terms of the transaction and the executed transaction documents being in line with the terms initially shared with ICRA.

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Securitisation Transactions</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 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 1,817 branches in the country as on December 31, 2025 on a standalone basis. As on December 31, 2025, the consolidated AUM stood at Rs. 13,341 crore. On a consolidated basis, SCNL reported a net profit of Rs. 170 crore in 9M FY2026 (total comprehensive income (TCI) of Rs. 150 crore) against Rs. 186 crore in FY2025 (TCI of Rs. 142 crore).

## Key Financial Indicators (standalone)

Satin Creditcare Network Limited	FY2024	FY2025	9MFY2026*
	Audited	Audited	Provisional
<b>Total income</b>	2,051	2,377	2,029
<b>Profit after tax</b>	423	217	165
<b>Total managed assets</b>	12,934	13,363	15,374
<b>Gross NPA</b>	2.5%	3.7%	3.3%
<b>CRAR</b>	27.7%	25.8%	24.6%

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	Current rating (FY2027)		Chronology of rating history for the past 3 years			
		Initial amount rated (Rs. crore)	Current amount rated (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024
<b>SATLUJ 2023</b>	Series A1 PTC	81.84	81.84	May 20, 2026 [ICRA]AA-(SO)	December 30, 2025 Provisional [ICRA]AA-(SO)	-	-

## Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI

16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)
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(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

## Complexity level of the rated instrument

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 II: Instrument details**

Trust name	Instrument name	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Current amount rated (Rs. crore)	Current rating
<b>SATLUJ 2023</b>	Series A1 PTCs	December 24, 2025	8.90%	December 10, 2027	81.84	[ICRA]AA-(SO)

Source: Company

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

Not applicable

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### Branches



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