Satin Finserv Limited

April 8, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities*	50.00	CARE BBB+ (CE); Stable [Triple B Plus (Credit Enhancement); Outlook: Stable]	Reaffirmed
Total Bank Facilities	**50.00 (Rs. Fifty Crore Only)**		
Non Convertible Debentures@	5.00	CARE A- (CE); Stable@ [Single A Minus (Credit Enhancement); Outlook: Stable]	Reaffirmed
Non Convertible Debentures#	25.00	Provisional CARE A- (CE); Stable# [Provisional Single A Minus (Credit Enhancement); Outlook: Stable)	Reaffirmed
Total Long Term Instruments	**30.00 (Rs. Thirty Crore Only)**		

Details of instruments/facilities in Annexure-1
**Backed by credit enhancement in the form of Letter of Comfort given by Satin Creditcare Network Limited (SCNL)*
@Backed by credit enhancement in the form of unconditional and irrevocable corporate guarantee given by SCNL
#Provisional rating based on proposed credit enhancement in the form of unconditional and irrevocable corporate guarantee to be given by SCNL

Unsupported Rating [1]	**CARE BBB- (Triple B Minus)**

Note : Unsupported Rating does not factor in the explicit credit enhancement

Detailed Rationale & Key Rating Drivers for the credit enhanced debt

The ratings assigned to the bank facilities and non-convertible debenture of Satin Finserv Limited (SFL), wholly owned subsidiary of Satin Creditcare Network Limited **(SCNL; rated CARE A-; Stable, BBB+ [RPS]; Stable/CARE A1)** are supported by credit enhancement support given by the parent company. The ratings of the bank facilities are supported by the credit enhancement in the form of Letter of Comfort (LoC) given by SCNL. The parent company has indicated its commitment towards SFL's operations and intends to provide support in the form of LoC towards honoring the debt obligations of SFL on due date. The LoC, though irrevocable, valid and binding on SCNL cannot be constructed as a guarantee and has no legal binding on the parent to make good of the liabilities. However, given the written articulation of support coupled with name sharing, strong financial and management backing from the parent, there is a strong moral obligation on SCNL to honour the terms of LoC. The rated facilities are backed by the LoC from SCNL. Further, the rated debentures of SFL are backed by unconditional and irrevocable corporate guarantee given by SCNL. The company has indicated its commitment towards SFL's operations and intends to provide support in in the form of corporate guarantee towards honoring the debt obligations of SFL on due date.

Detailed Rationale & Key Rating Drivers of Satin Creditcare Network Limited

The ratings assigned to the bank facilities and instruments of Satin Creditcare Network Limited (SCNL) draw comfort from the long-standing experience of the promoter, demonstrated ability to raise capital, company's stated intent to maintain adequate capitalization levels well above the regulatory requirement, diversified resource base and comfortable liquidity position. The rating also takes into consideration the established track record of operations and risk management systems in place which allow real time monitoring of operations. The ratings also factor in the profitable operations in FY20, restoration of asset quality post demonetization to a large extent and reducing geographical concentration risk with expansion into new territories/regions.

The ratings are however constrained by relatively weak asset quality with GNPA / Stage 3 assets to AUM of 2.93% as on March-20. Since Aug 30, 2020, the company had not recognized any NPAs, in line with the interim order of Supreme Court though it did identify such accounts as Stage 3 and made provisions against the same. Subsequently end Dec 2020, the company's

[1] *As stipulated vide SEBI circular no SEBI/ HO/ MIRSD/ DOS3/ CIR/ P/ 2019/ 70 dated June 13, 2019. As per this circular, the suffix 'CE' (Credit Enhancement) is assigned to the ratings with explicit external credit enhancement, against the earlier used suffix 'SO' (Structured Obligation).*

proforma GNPA surged to 9.6% as against the reported GNPA of 1.5%. This increase in delinquency was underpinned by asset quality weakness in few key states such as Punjab, West Bengal, Orissa following floods / excessive rainfall, political environment. In Assam, the company faced higher delinquencies on account of customer discontent and repayment issues that have adversely impacted all MFIs including SCNL in few districts of state . Additionally, the issues such as sizable first cycle loans in the overall loan book following expansion into new territories as against the traditional Hindi speaking belt where SCNL has long standing experience of operations has led to elevated asset quality concerns.

Also, the state wise concentration, though coming down, remains high with Uttar Pradesh (single largest state and region most impacted post demonetization) constituting 24.23% of AUM as on Dec-20. The ratings of SCNL also continues to account for the inherent risk involved in the microfinance industry including unsecured lending; cash based operations and socio-political intervention risk. Additionally, CARE takes note of unprecedented situation of COVID-19 outbreak that has led to elevated risk aversion in general and particularly with respect to microfinance sector owing to uncertainty arising from unsecured lending to customers with weaker credit profiles. The ability of the company to improve its asset quality and limit the credit losses while maintaining comfortable capital structure and gearing levels, grow its portfolio while continuing to diversity its presence and maintaining consistent profitability are key rating sensitivities.

Key Rating Drivers of Satin Finserv Limited
The ratings to the bank facilities and non-convertible issue of SFL are supported by the credit enhancement in the form of LoC / unconditional and irrevocable corporate guarantee extended by its parent. SFL incorporated in August 10, 2018 draws comfort from the promoters in SCNL having long track record of operations and a strong investor base. SFL benefits from the common name sharing, financial and managerial support from the SCNL. The standalone profile of SFL is also supported by the comfortable capitalization levels backed by regular capital infusion by SCNL, comfortable liquidity position, geographically diversified operations and strength in underwriting the NBFC-MFIs owing to long standing experience of SCNL. SFL's profile is however constrained by the short track record of operations, small albeit growing loan book, loss making operations due to lack of scale and growing operations, unseasoned loan portfolio with exposure to borrower segment vulnerable to economic cycles in the MSME retail segment and risk owing to concentration of exposure to corporates.

Rating Sensitivities
Positive factors - Factors that could lead to positive rating action/upgrade:
- Growth in loan book with geographical diversification of operations
- Improvement in profitability indicators with Adj. ROTA being 2.5% on sustained basis
- Maintain adequate capitalization levels well above the regulatory requirement of 15% while maintaining net adjusted gearing at less than 4 times on a sustained basis

Negative factors - Factors that could lead to negative rating action/downgrade:
- Deterioration in asset quality leading to substantial increase in credit losses thereby impacting the profitability and capitalization levels
- Increase in adjusted net gearing levels beyond 5 times

Detailed description of the key rating drivers
Key Rating Strengths

Long track record of the company, strong investor base and experienced promoter and management
Based out of Delhi, SCNL is the leading microfinance institution (NBFC-MFIs) that has been carrying out individual lending activities since 1990. The company entered into microfinance lending in 2008 and has gained reasonable experience in the group lending business emerging as the 2nd largest NBFC-MFI in the country in terms of Assets under Management (AUM). As on Dec 31, 2020, SCNL's standalone AUM stood at Rs 6,907 crore, up 8% Y-o-Y while the consolidated AUM (including that of its subsidiaries) stood at Rs 7,880 crore, up 8% Y-o-Y.

SCNL has 8 Board of Directors, 2 promoter directors, 5 independent directors and 1 nominee director. The operations of the company are headed by the promoter, Mr H P Singh, the Chairman and Managing Director of the company who is supported by a management team having rich experience in the financial services and microfinance sector. As on December 31, 2020, the promoter shareholding stood at 38.21%, up from 30.19% as on June 30, 2020. This increase in promoter shareholding has been after the rights issue of Rs. 120 crore completed in August 2020. Additionally, SCNL has a diversified investor base consisting of banks, mutual funds and Foreign Portfolio Investors/Financial Institutions viz. Asian Development Bank, NMI Fund, SBI FMO Emerging Asia Financial Sector Fund Pte Ltd, Morgan Stanley Mauritius Company Ltd, Morgan Stanley (Investments) Mauritius Ltd, IndusInd Bank and IDFC First Bank.

Demonstrated ability to raise equity capital and comfortable regulatory capital levels
The capital structure of SCNL remains comfortable with the company having raised capital in seven rounds of equity infusion from marquee investors. The company raised Rs 250 crore from QIP in October 2016 and Rs 150 crore from large domestic mutual funds in October 2017. This along with positive internal accruals led to networth base of SCNL increasing by 30% Y-o-Y from Rs.1,118 crore as on Mar-19 to Rs.1449 crore as on March-20. The capitalization profile of SCNL is comfortable with capital adequacy ratio (CAR) and Tier-I CAR of 25.31% and 19.31% as on Dec-20, well above minimum regulatory capital requirement of 15%, although it has decreased from overall CAR of 32.33% and Tier-I CAR of 24.92% as on Sep 30, 2020. On August 12, 2020, SCNL launched its maiden rights issue of Rs 120 crore for eligible equity shareholders of the company in the ratio 48:125. The issue size was up to Rs. 120 Crores at Rs. 60 per fully paid-up Equity Share of face value of Rs. 10/- each including a premium of Rs. 50/- per Equity Share to be paid in multiple calls. This will further augment company's capital base and provide more headroom to support loan growth.

Also, with the company reducing its on-book debt owing to significant assignment of loans and buildup of BC book during the year (22.8% of the AUM as on Dec-20 as against 36% as on March-20), the adjusted overall gearing (*i.e. ratio of debt including securitized portfolio and preference share capital and credit enhancement for its subsidiaries to net worth reduced by DTA, Intangible assets, investments in subsidiaries and 7.5% FLDG on the BC portfolio*) has reduced from 5.82x as on March-19 to 4.67x as on March 31, 2020. The net adjusted gearing (adjusted for the cash and bank balance and liquid investments and accounting for assigned book as debt similar to BC portfolio) stands at 3.41x as on March-20 as against 4.10x as on Mar-19. Management has stated its intent to maintain capitalization levels well above the regulatory requirement. Going forward, the ability of SCNL to maintain healthy capital adequacy to provide headroom for growth while maintain its gearing levels would be one of the key monitorables.

Diversified resource base supporting liquidity
SCNL has a diversified resource base with association with over 60 lenders as on Dec 31, 2020. SCNL has demonstrated its ability to raise funding from diverse sources viz. banks, domestic financial institutions, NBFCs, overseas and Domestic Funds etc. As on Dec 31, 2020, SCNL had total borrowings of Rs.6,043 crore. The major source of funding for SCNL has been term loan from banks/FIs/NBFCs (~53% of the borrowings as on Dec-20). SCNL has also raised substantial borrowings in the form of NCDs and Sub-debt (largely from overseas funds and NBFCs) accounting for nearly ~27% of the overall borrowings along with a share of external commercial borrowings (ECBs) at 3% of the overall borrowings as on Dec-20. SCNL has also accessed assignment/securitization route to raise funds.

Management information and IT systems in place
SCNL has established an efficient monitoring structure for overseeing its operations at various levels, including area level, regional level and state level. It has put in place risk management systems, viz, defined credit appraisal, collection and monitoring systems including profile of the clients and outer limit of loan size. Specialized software and user-level restrictions are in place to ensure a speedy access to the information with data security. The company has also implemented systems wherein the field staff operate through TABs connected to the internet. SCNL has put in place systems for real time monitoring of on-field data such as collections, meeting details, geo tagging of field agents etc. thereby allowing monitoring of the operations by the management across various levels of hierarchy on real time basis. It has also resulted in reduction in operational expenses by bringing down the disbursement TATs. SCNL has already moved to cashless disbursements (100% branches being cashless enabled as on Mar-20 with over 95% incremental disbursements and 37% collections (up from 27% in Dec-19) being cashless. During the times of covid, the company has also launched a customer service application to connect with their clients and allow them to pay through digital platforms.

Incrementally, SCNL in FY19, has improved its credit risk management and data quality maintenance systems by shifting to Centralized Credit Management System (Loan Application, KYC and Bank Account verification and Loan Sanctions), thus putting in an additional level of independent check as against a branch / field driven system earlier. SCNL has also implemented a credit scoring model for individual borrowers and groups and psychometric analysis tool which are being testing to improve the client identification process. SCNL is also testing pilots for cashless collections going forward.

Geographically diversified operations
SCNL has spread its operations and grown its portfolio in new states and currently has a presence in 23 States / UTs and 370 districts across the country with borrower base of 26.46 Lakh active borrowers (Individual & JLG) and standalone AUM of Rs.6,907 crore as on Dec 31, 2020. In the last quarter of FY20, the company has also set its footprints in a new state, i.e. Sikkim. SCNL has been traditionally a North Indian Player with presence mostly in the Hindi speaking states where it has long standing experience of operating. However, post demonetization, i.e. during FY18 and FY19 the company has expanded its footprint and grown in Eastern, North Eastern and Southern States viz. Assam, Orissa, West Bengal, Meghalaya, Tripura, Tamil Nadu, Pondicherry and Karnataka which together constituted 21.98% of the portfolio of SCNL as on March 31, 2020 as against just 13.61% at the end of Mar-18 and 1% as on Mar-17. Consequently, the regional concentration risk of SCNL has reduced as

reflected by reduction in the top 5 states portfolio from 75% as on March 31, 2018 (Top 5 states being UP, Bihar, Punjab, Assam and West Bengal) to 65.67% as on March 31, 2020 (viz. Uttar Pradesh, Bihar, Punjab, MP and West Bengal) albeit increased from 59.42% as on Mar-19. Uttar Pradesh remains the largest state constituting 24.23% of gross loans, followed by Bihar constituting another 16.16%. The Top State (Uttar Pradesh) concentration and top state concentration as a % of Net Worth stood at 24.23% and 121% respectively as on Dec 31, 2020.

Key Rating Weaknesses

Increase in delinquencies following to floods, political/social unrest in few states; albeit sufficient cushion available to absorb the risk

End FY 20, SCNL reported Stage 3 assets (PAR 90) and Net PAR 90 of 2.93% (PY: 2.89%) and 2.02% (PY: 1.77%) respectively. As on Dec 31, 2020, pro-forma on-book GNPA and NNPA % stood at 9.6% and 3.9% respectively. In-line with the interim order of Supreme Court, the company has not recognized any NPAs since August 31, 2020 but made provisioning for accounts in Stage 3. After taking into account DPD freeze, the reported GNPA stood at 1.5% and nil NNPA as on Dec 31, 2020.

On account of covid 19 outbreak, the company has made provisioning of Rs 305 crore in 9MFY21 with cumulative provisioning at 5.7% of the on-book AUM as on Dec 31, 2020. Although, SCNL has been able to largely restore its asset quality following demonetization, its NPA levels still remain higher than industry. This is due to predominant presence of SCNL in Uttar Pradesh, which was the area most impacted post demonetization and disbursements undertaken in the affected pockets to bring back the borrowers into the system, a lower provision cover of 31% being maintained against the PAR 90 as on March-20.

The overall asset quality of SCNL was however impacted to some extent in Q2FY20 following flooding in few states viz. Assam, Bihar and Orissa as also reflected by increase in PAR 1 from 3.88% as on June-19 to 5.02% as on March-20. Also, the delinquencies have increased in Assam (which contributed to 5.3% of AUM of SCNL as on March-20 and 5.6% end Dec-20), following unrest in certain North Eastern districts of Assam. The company has taken various measures along with SROs viz. MFIN and Sadhan to address the concern on the ground level and are encouraging the borrowers to repay. Subsequently the collection efficiency in Assam has improved to 84% end Dec 2020. However the 90+ DPD in Assam has registered an uptick and stood at 42.3% end Dec 2020 from 33.5% in Sept-20 and 21.2% end FY 20. In some of SCNL's larger states such as West Bengal (~7.5% of AUM end Dec 2020) and Punjab (~9% of AUM), the asset quality has deteriorated due to political unrest in some local areas with 90+ dpd at 31% and 21% respectively end Jan 2021. While SCNL has been taking numerous steps ensure maintenance of asset quality, the progress of same remains to be observed.

Additionally, CARE takes note unprecedented situation of COVID-19 outbreak that has led to elevated risk aversion in general and particularly with respect to microfinance sector owing to uncertainty arising from unsecured lending to customers with weaker credit profiles. Satin has provided moratorium to about a third of its borrowers for the period starting from March 25, 2020 (initiation of lockdown period). Subsequently the company had also availed moratorium from 63% of its lenders for the principal payments while it continues to serve interest payment during the said period. While the company's liquidity profile remains adequate in the near term, the challenges with respect to lower than expected scheduled inflows coupled with scheduled liability related outflows, if prevailed over longer term due to prolonged challenging conditions, could lead to moderation in liquidity profile of the company

Going forward, however, the ability of the company to improve its asset quality and limit the net credit losses would be crucial for the credit profile of SCNL.

Moderation in profitability metrics

End FY 2020, SCNL reported net profit of Rs. 156 crore on total income of Rs. 1401 crore as against net profit of Rs 195 crore on total income of Rs. 1373 crore previous year. While the total income increased by a marginal 2% Y-o-Y, the bottom line was impacted by margin contraction and elevated provisioning costs. End fiscal 2020, the CARE adjusted net interest margin (NIM on average total assets) of company stood at 8.43% as against 9.4% a year ago due to reduction in gross yields. The adj. ROTA of SCNL was 1.70% during FY20 (as against 2.64% during FY19).

For 9MFY21, SCNL reported total income of Rs.817 crore, up 1.3% Y-o-Y. The company's opex costs have remained steady during the year however the management has stated that it has undertaken several cost reduction mechanisms such as branch/office rationalization to further bring down costs. The overall profitability was adversely impacted by sharp rise in CARE adjusted credit costs (loan loss provisions and write offs as a percentage of average total assets) that stood at 2.8% as against 0.92% a year ago. The company provided an additional Rs. 83 crore on account of covid related impact thereby taking the total provisioning expenses to about Rs. 200 crore as against Rs 55 crore a year ago. As a result, SCNL reported a loss of Rs 56 crore as against profit of Rs 144 crore reported during the corresponding period previous year and the adj RoTA (annualized) stood at -1.01% end 9M FY21 as against 2.91% previous fiscal.

Majority of portfolio in UP and sizable first cycle loan borrowers
Expansion and growth in loan book in the newer territories, has meant reduction in geographical concentration, however this has also resulted in increase in first time borrowers for SCNL in new territories wherein it has limited experience of operations. Even with expansion into newer territories, the first cycle loans have declined from 51.5% as on March-19 to 42.8% on June-20 and further to 33.5% on Dec-20. Also, SCNL's exposure in the state of Uttar Pradesh (U.P.; single largest state exposure and area most impacted post demonetization) continues to be high at 24.23% on Dec 31, 2020.

Inherent industry risks
The microfinance sector continues to be impacted by the inherent risk involved viz. socio-political intervention risk and risks emanating from unsecured lending and marginal profile of borrowers who are vulnerable to economic downturns besides operational risks related to cash based transaction.

Liquidity: Strong
SCNL has a favorable liquidity position given shorter tenure of loans and advances (upto 2 years) as against long tenure of borrowings (2-7 years) and a large equity base as also reflected by a well matched ALM profile as on Dec 31, 2020. As on same date, SCNL's expected inflows in up to next one year bucket (including bank balance and liquid investments) were 1.8 times of its expected outflows. SCNL also has an established practice of maintaining adequate buffer in the form of free cash and bank balance/ liquid investments at all times to cushion its liquidity profile. As on March 18, 2021, SCNL was maintaining free cash and bank balance of about Rs.678.91 crore.

SCNL has also accessed assignment route to raise funds (Rs.2056 crore constituting 28% of its AUM as on March-20). The liquidity position of SCNL is also supported by availability of on-tap funding for disbursements upon commencement of Business Correspondent (BC) operations for IndusInd Bank since Apr-18. The partnership with IndusInd Bank for undertaking BC activity (which can go upto 40% of the incremental disbursements per management) is expected to augment the resources profile and liquidity of the company. BC portfolio for IndusInd stood at Rs.362 crore as on Dec-20, constituting 5.2% of the overall AUM as on Dec-20.

Analytical approach:
SCNL: Standalone
SFL: The ratings to the bank facilities are based on the credit enhancement in the form of Letter of Comfort from the parent while the ratings for the debentures are based on unconditional and irrevocable corporate guarantee given by Satin Creditcare Network Limited to support its debt servicing

Applicable Criteria:
Criteria on assigning 'Outlook' and 'Credit Watch' to Credit Ratings
CARE's Policy on Default Recognition
Financial ratios – Financial Sector
Rating Methodology – Non-Banking Finance Companies
Rating Methodology - Notching by factoring linkages in Ratings
Rating Methodology – Short Term Instruments
Criteria for Rating Credit Enhanced Debt

About the Company – Satin Creditcare Network Limitedxxx
SCNL is a leading microfinance company based out of Delhi. The company is registered with Reserve Bank of India (RBI) as a non-deposit accepting, systemically important non-banking financial company (NBFC) and had been granted NBFC-MFI status on November 6, 2013, by RBI. SCNL is also listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

Incorporated in 1990, the company was initially engaged in providing loans to individuals including shopkeepers etc. in the urban areas. In 2008, the company started group lending business with joint liability group (JLG) model which constituted 96% of the portfolio of SCNL as on Dec 31, 2020 with MSME loans constituting the balance 4% of AUM as on same date.

MSME Loans include unsecured loans of ticket size of Rs.1-10 Lacs for a period of 1-10 years and corporate loans to other MFIs of Rs.3-10 crore. The operations of SCNL are spread across 23 states/ UTs i.e. Uttar Pradesh, Madhya Pradesh, Bihar, Punjab, Delhi/ NCR, Uttarakhand, Rajasthan, Haryana, Chandigarh, Jammu & Kashmir, Maharashtra, Chhattisgarh, Jharkhand, Himachal Pradesh, West Bengal, Gujarat, Orissa, Assam, Karnataka, Meghalaya, Tripura, Sikkim and Pondicherry. As on Dec-20, SCNL was operating in 370 districts managed through 1021 branches with 26.46 Lakh active borrowers (Individual & JLG) with total assets under management (AUM) being Rs.6,907 crores (including BC book for IndusInd of Rs.362 crore and assigned portfolio of Rs.1,216 crore).

SCNL also has three subsidiaries viz. Taraashna Financial Services Limited (TSL), Satin Housing Finance Limited (SHFL) and Satin Finserv Ltd. TSL acts as a business correspondent for 4 Banks/FIs. The company has spread its presence in 7 with 202 branches and AUM of Rs.646 crore as on Dec-20. SHFL is a HFC registered with NHB which undertakes extension of home loans and Loan Against Property. Currently, SHFL sources its business in Delhi/NCR, Uttar Pradesh and Rajasthan region. It commenced lending operations in February 2018 and has built a loan portfolio of Rs.200 crores as on Dec-20. Satin Finserv Limited is the newest subsidiary of the group formed to foray into the MSME segment which commenced operations in March 2019. The AUM of SFL as on Dec 31, 2020 was Rs.127 crore.

Brief Financials (Rs. crore) – *Standalone*	***FY19***	***FY20***
	(12M, A)	***(12M, A)***
	INDAS	***INDAS***
Total Operating Income	1373	1401
PAT	195	156
Interest coverage (times)	1.57	1,37
Assets under Management	6374	7220
Total Assets	6674	7150
Net NPA Ratio / Net PAR 90 Ratio (%)	1.77	2.02
Adj. Return on Total Assets (ROTA)*	2.64	1.70

Note: A: Audited

** Ratios have been computed based on average of annual opening and closing balances*

***Adj. ratios computed based on incl. of securitized/assigned/BC portfolio*

About the Company – Satin Finserv Limited

Incorporated in August 2018, Satin Finserv Limited is a wholly owned subsidiary of Satin Creditcare Network Limited (SCNL). SFL obtained license to commence operations i.e. January 9, 2019 upon receipt of certificate of registration from RBI to operate as a NBFC. SFL currently operates through its Corporate Office at Gurgaon and 15 branches spread across 8 states. End December 2020, SFL's loan portfolio stood at Rs.126.73 crore which comprised of retail secured loans (41%) and corporate loans (58.8%).

Brief Financials (Rs. crore)	**FY19 (A)**	**FY20 (A)**
Total income	0.10	14.02
PAT	-0.64	0.65
Interest coverage (times)	NM	1.50
Total Assets	23.41	129.54
Net NPA (%)	0.00	0.00
ROTA (%)	NM	0.85

A: Audited, NM: Not Meaningful

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: *Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3*

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan*		-	-	-	50.00	CARE BBB+ (CE); Stable
Un Supported Rating-Un Supported Rating (Long Term)		-	-	-	0.00	CARE BBB-

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debentures-Non Convertible Debentures@	INE03K307017	29-June-2020	14.50%	29-Jun-2023	5.00	CARE A- (CE); Stable
Debentures-Non Convertible Debentures#	Proposed				25.00	Provisional CARE A- (CE); Stable

**Backed by credit enhancement in the form of Letter of Comfort given by Satin Creditcare Network Limited (SCNL)*
@Backed by credit enhancement in the form of unconditional and irrevocable corporate guarantee given by SCNL
#Provisional rating based on proposed credit enhancement in the form of unconditional and irrevocable corporate guarantee to be given by SCNL

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Term Loan	LT	50.00	CARE BBB+ (CE); Stable	-	1)CARE BBB+ (CE); Stable (14-Apr-20)	1)Provisional CARE BBB+ (CE); Stable (13-Mar-20)	-
2.	Un Supported Rating-Un Supported Rating (Long Term)	LT	0.00	CARE BBB-	-	1)CARE BBB- (14-Apr-20)	1)CARE BBB- (13-Mar-20)	-
3.	Debentures-Non Convertible Debentures	LT	5.00	CARE A- (CE); Stable	-	1)CARE A- (CE); Stable (26-Jun-20)	-	-
4.	Debentures-Non Convertible Debentures	LT	25.00	Provisional CARE A- (CE); Stable	-	1)Provisional CARE A- (CE); Stable (26-Jun-20)	-	-

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities - NA

Annexure 4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non Convertible Debentures	Simple
2.	Fund-based - LT-Term Loan	Simple
3.	Un Supported Rating-Un Supported Rating (Long Term)	Simple

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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About CARE Ratings:

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