

Satin Creditcare Network Limited

March 05, 2020

Ratings

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Subordinated Debt	-	-	Withdrawn
Non-Convertible Debentures	-	-	Withdrawn
Non-Convertible Debentures	-	-	Withdrawn
Non-Convertible Debentures	-	-	Withdrawn

Details of instruments in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the ratings assigned to the NCD issue of Satin Creditcare Network Limited (SCNL) with immediate effect, as the company has repaid the aforementioned NCD issue in full and there is no amount outstanding under the issue as on date.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

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 March 31, 2019 with MSME loans constituting the balance 4% of AUM as on Mar-19. 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 22 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 and Pondichery. As on Dec, 2019, SCNL was operating in 371 districts managed through 1109 branches with 31.93 Lac active borrowers (Individual & JLG) with total assets under management (AUM) being Rs.6,390 crores (including BC book for IndusInd of Rs.522 crore and assigned portfolio of Rs.1,776 crore).

SCNL also has three subsidiaries viz. Taraashna Financial Services Limited (TSL), Satin Housing Finance Limited (SHFL) and Satin Finserve Ltd. TSL acts as a business correspondent for 4 Banks/FIs. The company has spread its presence in 8 states (Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Chattisgarh, Bihar, Punjab and UP) with 213 branches and AUM of Rs.646 crore as on Dec-19. SHFL is a HFC registered with NHB which undertakes extension of home loans and Loan Against property. Currently, SFL 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.138 crores. Satin Finserve 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, 2019 was Rs.109 crore as on Dec 31, 2019.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Brief Financials (Rs. crore) – Standalone	2018	2018	2019
	(12M, A)	(12M, A)	(12M, A)
	IGAAP	INDAS	INDAS
Total Operating Income	977	976	1,373
PAT	4	82	195
Interest coverage (times)	1.01	1.32	1.57
Assets under Management	5,085	5,085	6,374
Total Assets	5753	6,171	6,674
Net NPA Ratio / Net PAR 90 Ratio (%)	2.62	1.69	1.77
Adj. Return on Total Assets (ROTA)*	0.07	1.45	2.64

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

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Annexure-1: Details of Instruments

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debt-Subordinate Debt	INE836B08012	-	-	-	-	Withdrawn
Debentures-Non Convertible Debentures	INE836B08186	-	-	-	-	Withdrawn
Debentures-Non Convertible Debentures	INE836B07287	-	-	-	-	Withdrawn
Debentures-Non Convertible Debentures	INE836B07303	-	-	-	-	Withdrawn

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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	2800.00	CARE A-; Stable	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18) 2)CARE BBB+; Stable (13-Apr-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)	1)CARE A-; Negative (10-Jan-17) 2)CARE A- (03-Nov-16)
2.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (04-Apr-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+;	1)CARE A-; Negative (10-Jan-17) 2)CARE A- (03-Nov-16)

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		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
							Negative (24-Apr-17)	
3.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (24-Apr-17)	1)CARE A-; Negative (10-Jan-17) 2)CARE A- (03-Nov-16)
4.	Debentures-Non Convertible Debentures	LT	18.00	CARE A-; Stable	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)	1)CARE A-; Negative (10-Jan-17) 2)CARE A- (03-Nov-16)
5.	Debentures-Non Convertible Debentures	LT	50.00	CARE A-; Stable	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)	1)CARE A-; Negative (10-Jan-17) 2)CARE A- (03-Nov-16)
6.	Debt-Subordinate Debt	LT	-	-	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB; Stable (20-Dec-17) 2)CARE BBB; Negative (13-Jul-17) 3)CARE BBB; Negative (24-Apr-17)	1)CARE BBB+; Negative (10-Jan-17) 2)CARE BBB+ (03-Nov-16)
7.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)	1)CARE A-; Negative (10-Jan-17) 2)CARE A- (03-Nov-16)
8.	Debentures-Non Convertible Debentures	LT	26.28	CARE A-; Stable	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+;	1)CARE A-; Negative (10-Jan-17) 2)CARE A-

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							Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)	(03-Nov-16)
9.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (04-Apr-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)	1)CARE A-; Negative (10-Jan-17) 2)CARE A- (03-Nov-16)
10.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (04-Apr-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)	1)CARE A-; Negative (10-Jan-17) 2)CARE A- (03-Nov-16)
11.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)	1)CARE A-; Negative (10-Jan-17) 2)CARE A- (03-Nov-16)
12.	Debentures-Non Convertible Debentures	LT	68.00	CARE A-; Stable	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)	1)CARE A-; Negative (10-Jan-17) 2)CARE A- (03-Nov-16) 3)CARE BBB+ (03-Jun-16)
13.	Preference Shares-Non Convertible Redeemable Preference Share	LT	25.00	CARE BBB+ (RPS); Stable	1)CARE BBB+ (RPS); Stable (05-Jul-19)	1)CARE BBB+ (RPS); Stable (26-Jun-18)	1)CARE BBB (RPS); Stable (20-Dec-17) 2)CARE BBB (RPS); Negative (13-Jul-17) 3)CARE BBB (RPS);	1)CARE BBB+ (RPS); Negative (10-Jan-17) 2)CARE BBB+ (RPS) (03-Nov-16)

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							Negative (24-Apr-17)	3)CARE BBB (RPS) (03-Jun-16)
14.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)	1)CARE A-; Negative (10-Jan-17) 2)CARE A- (03-Nov-16) 3)CARE BBB+ (03-Jun-16)
15.	Commercial Paper	ST	200.00	CARE A1	1)CARE A1 (05-Jul-19)	1)CARE A1 (13-Mar-19) 2)CARE A2+ (26-Jun-18) 3)CARE A2 (13-Apr-18)	1)CARE A2 (20-Dec-17) 2)CARE A2 (18-Oct-17) 3)CARE A2 (13-Jul-17) 4)CARE A2 (26-May-17) 5)CARE A2 (24-Apr-17)	1)CARE A1 (07-Dec-16)
16.	Debentures-Non Convertible Debentures	LT	-	-	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (21-Sep-17) 3)CARE BBB+; Negative (13-Jul-17) 4)CARE BBB+; Negative (24-Apr-17)	1)CARE A-; Negative (10-Jan-17)
17.	Debentures-Non Convertible Debentures	LT	15.00	CARE A-; Stable	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (13-Jul-17) 3)CARE BBB+; Negative (24-Apr-17)	1)CARE A-; Negative (10-Jan-17)
18.	Debentures-Non Convertible Debentures	LT	-	-	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative	-

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							(21-Sep-17)	
19.	Debentures-Non Convertible Debentures	LT	65.00	CARE A-; Stable	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17) 2)CARE BBB+; Negative (28-Sep-17)	-
20.	Debentures-Non Convertible Debentures	LT	-	-	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17)	-
21.	Debentures-Non Convertible Debentures	LT	40.00	CARE A-; Stable	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (20-Dec-17)	-
22.	Debentures-Non Convertible Debentures	LT	60.00	CARE A-; Stable	1)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18)	1)CARE BBB+; Stable (06-Feb-18)	-
23.	Debentures-Non Convertible Debentures	LT	359.20	CARE A-; Stable	1)CARE A-; Stable (17-Sep-19) 2)CARE A-; Stable (05-Jul-19)	1)CARE A-; Stable (26-Jun-18) 2)CARE BBB+; Stable (13-Apr-18)	-	-
24.	Debentures-Non Convertible Debentures	LT	38.70	CARE A-; Stable	1)CARE A-; Stable (17-Sep-19) 2)CARE A-; Stable (05-Jul-19)	-	-	-
25.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (05-Jul-19)	-	-	-
26.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (05-Jul-19)	-	-	-
27.	Debentures-Non Convertible Debentures	LT	120.00	CARE A-; Stable	1)CARE A-; Stable (17-Sep-19)	-	-	-
28.	Debt-Subordinate Debt	LT	30.00	CARE A-; Stable	1)CARE A-; Stable (29-Nov-19)	-	-	-

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

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