July 24, 2025

Standard Chartered Capital Limited (erstwhile Standard Chartered Investments and Loans(India) Ltd): [ICRA]AAA (Stable) assigned; earlier ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debentures	605	605	[ICRA]AAA (Stable); reaffirmed
Non-convertible debentures	0	500	[ICRA]AAA (Stable); assigned
Commercial paper	5,500	5,500	[ICRA]A1+; reaffirmed
Total	**6,105**	**6,605**	

**Instrument details are provided in Annexure I*

Rationale

The ratings for Standard Chartered Capital Limited's (SCCL) derives support from its parent - Standard Chartered Bank (UK) (SCB UK; rated A1 (Positive)/P-1 by Moody's Investors Service). The company benefits from the shared brand name, operational and management support, and risk oversight from the parent. SCCL serves as the non-banking lending arm of the SCB UK in India, managing an AUM of Rs. 8,058 crore as on March 31, 2025 comprising of corporate and retail lending segments. Given the ownership structure and shared brand name, ICRA expects support SCCL to receive timely support from the parent as and when required.

The ratings also consider SCCL's adequate capitalisation profile, (net worth of Rs. 1,995 crore and gearing of 3.6 times as on March 31, 2025), good financial flexibility by virtue of its parentage, track record of adequate profitability and comfortable asset quality indicators.

While the concentration risk remains high due to the larger share of wholesale exposures (58% of total book as on March 31, 2025) in the loan book. ICRA also notes that the exposures in the corporate loan book are largely to entities with existing relationships within the Standard Chartered Group, providing visibility on its performance and repayment track record. Further, the company's track record of reporting comfortable asset quality metrics, (GNPA & NNPA of 0.07% & 0.04%, respectively as on March 31, 2025, pertaining to the LAP book) provides some comfort.

SCCL continues to have relatively high reliance on short-term sources of funding {partly in line with the short-term nature of advances, mainly private banking and retail loan against securities (LAS)}, though the same is declining over the past few years through diversification of funding profile to include longer tenure bank loans, NCDs and inter-corporate deposits (ICDS). Additionally, SCCL has unutilised bank lines of ~Rs. 2,047 crore, including Rs. 600-crore committed line available from Standard Chartered Bank, India (SCB India) as on March 31, 2025, which supports its overall liquidity profile.

The Stable outlook reflects ICRA's expectation that SCCL will continue to benefit from operational synergies and management support from its parent. It also indicates ICRA's expectation that the company will maintain an adequate capitalisation and liquidity profile and support from the parent will be forthcoming as and when required.

Key rating drivers and their description

Credit strengths

Strong parentage with operational and management support – The company benefits from being a part of the Standard Chartered Group with linkages with the parent, SCB UK, on the operational and management front. SCCL's risk management systems are aligned with the Standard Chartered Bank Group's global policies. Further, considering the shared brand name and linkage, ICRA expects support from the parent to be forthcoming, as and when required. Any change in the likely support from SCB UK would be a key rating sensitivity.

Adequate capitalisation levels – The company's capitalisation profile is adequate for its current scale of operations, with a net worth of Rs. 1,995 crore and a gearing of 3.6 times as on March 31, 2025 (Rs. 1,655 crore and 4.3 times, respectively, as on March 31, 2024). Capitalisation profile remains supported by internal accruals and timely capital infusion by the parent. The parent infused capital of Rs. 496 crore over the past two years (Rs. 167 crore in FY2025 and Rs. 329 crore in FY2024). ICRA expects timely capital support from the parent to be forthcoming, if required.

Comfortable asset quality indicators – The company's reported asset quality indicators were comfortable with reported gross stage 3 and net stage 3 of 0.07% and 0.04% respectively as on March 31, 2025 (0.0% and 0.0% as on March 31, 2024). The stage 3 accounts largely pertain the Loan against property ("LAP") portfolio, which will be sold to Standard Chartered Bank (India) & resolution for same approved in the Extra-ordinary General Meeting (EGM) on June 03, 2025. While the company's track record of comfortable asset quality metrics over several years provides comfort, the wholesale nature of the loans exposes it to the risk of lumpy slippages.

Adequate profitability indicators – ICRA expects SCCL's profitability to remain adequate, in line with past trends. Net interest margin (NIM) improved in FY2025 due to the decline in gearing. Further, low operating expenses and credit costs resulted in stable return on managed assets (RoMA) to 2.2% in FY2025 vis-a-vis 2.2% in FY2024 (2.0% in FY2023). Going forward, the NIMs could moderate from current levels with the increase in leverage from current levels as the loan book expands. Nonetheless, overall earnings profile is expected to remain rangebound, supported by low operating expenses, subject to the company's ability to maintain control over the asset quality.

Credit challenges

Relatively high reliance on short- term funding; gradual shift towards long-term funding sources over past few years – SCCL has historically been significantly dependent on short-term borrowings {largely commercial paper (CP)} to meet the funding requirement of its loan book (mainly comprising short-tenured LAS), which exposes it to the market risks associated with such instruments. While SCCL ensures to distribute the CP repayment on evenly basis so to avoid concentration of repayments / liabilities. While, it has diversified its borrowing profile over the past few years to include borrowings in the form of ICDs& NCDs (10% of borrowings) and long-term bank borrowings (38%). Nonetheless, the share of CP in the borrowing mix remains relatively high at 52% as on March 31, 2025. SCCL however has unutilised bank line of Rs. 2,047 crore (including Rs. 600-crore committed lines available from Standard Chartered Bank, India (SCB India)) as on March 31, 2025, which supports its overall liquidity profile.

High concentration risk arising from wholesale book – SCCL's total gross loan book increased to Rs. 8,343 crore as on March 31, 2025, from Rs. 7,391 crore as on March 31, 2024. In terms of products, the company provides promoter financing, LAS, loan against property (LAP) and other corporate loans. However, it is planning to exit the LAP segment with the resolution being approved in its EGM, and future growth will be driven by the corporate loan book and the private banking/LAS book. As on March 31, 2025, wholesale loans constituted 58% of the total loan book with retail loans such as LAS and LAP accounting for the balance.

While the company's track record of comfortable asset quality metrics over several years provides comfort, credit concentration remains relatively high, given the wholesale nature of the loans, making the portfolio vulnerable to asset quality shocks. While there are nil NPA in the wholesale book, the top 20 exposures constituted 203% of the total net worth as on

March 31, 2025 (235% as on March 31, 2024). Further, most of the exposures in the corporate loan book are to entities with existing relationships within the Standard Chartered Group, providing visibility on their performance and repayment track record.

Liquidity position: Adequate

SCCL's liquidity profile is adequate. As per the asset-liability management (ALM) statement as on March 31, 2025, the company had unencumbered cash and bank balance of about Rs. 132 crore and liquid investments of Rs. 441 crore which also includes Rs. 300 crore investments in the form of Treasury bills (T-Bills). The company has debt obligations of Rs. 5,409 crore over the next one year while inflows from advances stood at Rs. 4,434 crore for this period. The liquidity profile is also supported by SCCL's good financial flexibility by virtue of its parentage.

Rating sensitivities

Positive factors – Not applicable

Negative factors – A significant deterioration in the credit profile of the parent or a reduction in the support from the parent would be a credit negative for the company. Also, a significant deterioration in SCCL's asset quality and profitability metrics could exert pressure on the ratings.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies
Parent/Group support	Parent/Group company: SCB UK The ratings derive significant strength from the company's ultimate parentage in the form of SCB UK. SCCL also enjoys a high level of operational synergies with its parent, with access to senior management guidance and robust risk management systems and standards. ICRA expects liquidity & capital support from the parent to be forthcoming, if required.
Consolidation/Standalone	Standalone

About the company

SCCL was incorporated in October 2003 by Standard Chartered Bank (UK) as its wholly-owned subsidiary. It was registered with the Reserve Bank of India as a non-banking financial company not accepting public deposits in February 2004. The Standard Chartered Group has management control over SCCL. The company's board of directors comprises, among others, senior management personnel from the Group's senior management. SCCL offers lending & financing solutions to large corporates and institutions; and Loan against securities to retail / affluent and high-net-worth individuals.

SCCL reported a profit after tax (PAT) of Rs. 205.5 crore in FY2025 on a total asset base of Rs. 9,315 crore as on March 31, 2025, compared with a PAT of Rs. 155.1 crore in FY2024 on a total asset base of Rs. 8,735 crore as on March 31, 2024. Its portfolio increased to Rs. 8,058 crore as on March 31, 2025 from Rs. 7,316 crore as on March 31, 2024 (Rs. 5,301 crore as on March 31, 2023). The share of Corporate Book [which includes Corporate and Institutions (C&I) & Corporate Borrowers (CB)] & Wealth and Retail banking [which includes Private Banking (PB), Retail LAS and LAP] stood at 58% and 42%, respectively, of the portfolio as on March 31, 2025.

Key financial indicators (audited)

	Mar-24	Mar-25
Total Assets	8,735	9,315
Profit After Tax	155.1	205.5
Total Income	721	932
ROMA (%)	2.2%	2.2%
Gearing (times)	4.3	3.6
Gross Stage 3 (%)	0.0%	0.1%
CRAR	20.1%	21.6%

Source: SCCL, ICRA Research; Amount in Rs. crore; All calculations are as per ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	FY2026					Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024		FY2023	
Instrument	**Type**	**Amount Rated (Rs Crore)**	**Jul 24, 2025**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Commercial Paper	Short Term	5,500.00	[ICRA]A1+	-	-	Jan-17-2025	[ICRA]A1+	May-29-2023	[ICRA]A1+	May-09-2022	[ICRA]A1+
				-	-	-	-	Jan-19-2024	[ICRA]A1+	May-30-2022	[ICRA]A1+
NCD	Long Term	605.00	[ICRA]AAA (Stable)	-	-	Jan-17-2025	[ICRA]AAA (Stable)	May-29-2023	[ICRA]AAA (Stable)	May-09-2022	[ICRA]AAA (Stable)
				-	-	-	-	Jan-19-2024	[ICRA]AAA (Stable)	May-30-2022	[ICRA]AAA (Stable)
				-	-	-	-	-	-	May-30-2022	[ICRA]AAA (Stable)
NCD	Long Term	500.00	[ICRA]AAA (Stable)	-	-	-	-	-	-	-	-

Source: ICRA Research; LT – Long term, ST – Short term; LTD – Long-term debt

Complexity level of the rated instruments

Instrument	Complexity Indicator
NCD programme	Simple
Commercial paper programme	Very Simple

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 as on July 14, 2025

ISIN	Instrument Name	Date of Issuance	Coupon Rate (%)	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
INE403G07103	**NCD**	Mar-17-2025	8.05	May-18-2026	180	[ICRA]AAA (Stable)
INE403G07095	**NCD**	Mar-07-2024	8.25	Mar-11-2029	60	[ICRA]AAA (Stable)
Yet to be placed	**NCD**	NA	NA	NA	865	[ICRA]AAA (Stable)
INE403G14TJ9	**CP**	Apr-21-2025	6.98	Jul-21-2025	200	[ICRA]A1+
INE403G14SQ6	**CP**	Oct-29-2024	8.05	Sep-16-2025	150	[ICRA]A1+
INE403G14SP8	**CP**	Oct-29-2024	8.10	Oct-29-2025	150	[ICRA]A1+
INE403G14SS2	**CP**	Nov-13-2024	8.10	Nov-13-2025	50	[ICRA]A1+
INE403G14SR4	**CP**	Nov-14-2024	8.10	Nov-14-2025	150	[ICRA]A1+
INE403G14ST0	**CP**	Nov-18-2024	8.10	Nov-18-2025	200	[ICRA]A1+
INE403G14SV6	**CP**	Nov-29-2024	8.10	Nov-28-2025	50	[ICRA]A1+
INE403G14SY0	**CP**	Dec-09-2024	8.06	Dec-09-2025	250	[ICRA]A1+
INE403G14SZ7	**CP**	Dec-10-2024	8.06	Dec-10-2025	100	[ICRA]A1+
INE403G14TL5	**CP**	Apr-24-2025	7.23	Jan-21-2026	175	[ICRA]A1+
INE403G14TG5	**CP**	Mar-11-2025	8.05	Jan-29-2026	200	[ICRA]A1+
INE403G14TD2	**CP**	Feb-10-2025	8.08	Feb-10-2026	250	[ICRA]A1+
INE403G14TE0	**CP**	Feb-25-2025	8.08	Feb-18-2026	150	[ICRA]A1+
INE403G14TF7	**CP**	Feb-27-2025	8.08	Feb-27-2026	200	[ICRA]A1+
INE403G14TH3	**CP**	Mar-19-2025	8.00	Mar-12-2026	300	[ICRA]A1+
INE403G14TI1	**CP**	Mar-19-2025	8.00	Mar-19-2026	300	[ICRA]A1+
INE403G14TK7	**CP**	Apr-24-2025	7.45	Apr-24-2026	50	[ICRA]A1+
INE403G14TM3	**CP**	May-26-2025	7.25	May-19-2026	150	[ICRA]A1+
INE403G14TN1	**CP**	May-26-2025	7.25	May-26-2026	200	[ICRA]A1+
Yet to be placed	**CP**	NA	NA	7-365 days	2,225	[ICRA]A1+

Source: SCCL, ICRA Research; CP – Commercial paper; NCD – Non-convertible debenture

Annexure II: List of entities considered for consolidated analysis

Not applicable

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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