

March 05, 2026

Satin Finserv Limited: [ICRA]A- (Stable)/[ICRA]A2+ assigned; rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
LT bank facilities programme – Others	80.00	80.00	[ICRA]A- (Stable); reaffirmed
NCD programme	300.00	300.00	[ICRA]A- (Stable); reaffirmed
NCD programme	0.00	200.00	[ICRA]A- (Stable); assigned
Commercial paper	0.00	60.00	[ICRA]A2+; assigned
Total	380.00	640.00	

*Instrument details are provided in Annexure I; NCD – Non-convertible debenture; LT – Long term

Rationale

The ratings factor in Satin Finserv Limited's (SFL) position as a wholly-owned subsidiary of Satin Creditcare Network Limited (SCNL; rated [ICRA]A (Stable)/[ICRA]A1). While SCNL's management has limited involvement in SFL, the company has board-level guidance in the form of common director - Dr. H P Singh (promoter of SCNL). The ratings also consider SFL's adequate capitalisation for the current level of operations, with a total capital-to-risk weighted assets ratio (CRAR) of 32.0% and a managed gearing of 2.7 times as on December 31, 2025. The capitalisation profile is aided by timely capital infusions from SCNL. ICRA expects that SCNL will continue to support SFL's growth plans as and when required.

The ratings are, however, constrained by SFL's moderate scale of operations, asset quality and profitability metrics. Its assets under management (AUM) stood at Rs. 759 crore as on December 31, 2025 (on-book portfolio of Rs. 698 crore) against Rs. 547 crore (on-book portfolio of Rs. 516 crore) as on March 31, 2025, reflecting annualised growth of ~55%. AUM growth was higher as disbursements picked up in the newly launched vertical – sustainable emerging business (SEB), which is focussed on sustainable financing. As of December 2025, SEB's AUM was ~Rs. 167 crore, including wholesale lending (~Rs. 46 crore), comprising 18-20 borrowers. ICRA expects AUM growth to remain high in the near-to-medium term. ICRA also notes that SFL shall need to diversify its funding relations and raise debt funds to support its growth plans. As on December 31, 2025, the company's funding profile comprised loans from non-banking financial companies (NBFCs; ~36%), securitisation/assignment (~25%), non-convertible debentures (NCDs; ~24%), business correspondent (BC)/direct assignment (DA) book (~9%) and loans from banks (~5%).

Moreover, since the underlying borrower segment is vulnerable to income shocks, the company's ability to engage with customers and improve its systems and controls continuously to maintain the asset quality remains critical. SFL reported gross non-performing assets (GNPAs) of 4.7% as of December 2025 (4.8% as of March 2025). Further, its wholesale lending book is partially unsecured in nature and has relatively higher ticket size loans. Additionally, the company's profitability remains moderate primarily on account of higher credit costs. Its ability to maintain adequate asset quality and improve its profitability shall be key for its credit profile.

The Stable outlook on the long-term rating reflects ICRA's opinion that SFL will be able to maintain a steady credit profile and adequate capitalisation, while expanding its scale of operations and improving its profitability, along with the expectation of continued support from the parent in the form of equity and debt funding.

Key rating drivers and their description

Credit strengths

Credit profile supported by parentage – The company benefits from board-level guidance from its parent – SCNL. Further, it receives financial support in the form of capital infusions from SCNL along with debt funding lines. ICRA takes comfort that the parent does not intend to reduce its stake in SFL in the near-to-medium term and is expected to continue providing support through board-level guidance and funding. Further, SFL can potentially leverage SCNL's fairly diversified lending relationships to support its growth plans.

Adequate capitalisation – SFL's capitalisation remains adequate with a CRAR of 36.1% as on December 31, 2025 (37.6% as on March 31, 2025). The managed gearing remained low at 2.7 times as on December 31, 2025 (2.5 times as on March 31, 2025; 2.4 times as on March 31, 2024). ICRA expects SFL to remain adequately capitalised, as it scales up its operations, and receive support from SCNL. SCNL had last infused equity capital of Rs. 50 crore in the company in December 2025 and is expected to continue providing capital support as and when required.

Credit challenges

Moderate scale of operations – Operating since March 2019, SFL's scale remains moderate with AUM of Rs. 759 crore as on December 31, 2025 (on-book portfolio of Rs. 698 crore) against Rs. 547 crore (on-book portfolio of Rs. 516 crore) as on March 31, 2025, reflecting annualised growth of ~55%. AUM growth was higher as disbursements picked up in the newly launched SEB vertical, which is focussed on sustainable financing. As of December 2025, SEB's AUM was ~Rs. 167 crore (including ~Rs. 46 crore of wholesale lending portfolio), comprising 18-20 borrowers. ICRA expects AUM growth to remain high in the near-to-medium term.

Moderate asset quality and relatively vulnerable borrower profile – SFL's asset quality remains moderate with GNPA of 4.7% as on December 31, 2025 (4.8% as of March 2025; 4.3% as on March 31, 2024). Additionally, the company was holding security receipts of ~Rs. 8 crore (1.1% of on-book portfolio) as of December 2025. Since the underlying borrower segment is vulnerable to income shocks, SFL's ability to engage with customers, enhance its systems and controls continuously and improve the asset quality remains important. Additionally, it is expanding its newly launched SEB vertical (~16% of AUM as of December 2025) while the share of the wholesale lending book (~6% of on-book AUM as of December 2025) is declining.

Subdued earnings profile – SFL's profitability profile remains subdued on account of elevated credit costs. Credit costs increased to 3.9% of average managed assets (AMA) in 9M FY2026 from 2.0% in FY2025 (0.5% in FY2024), given the moderate asset quality. Further, SFL reported a profit after tax (PAT) of Rs. 3.1 crore in 9M FY2026, translating into an annualised return of 0.5% on AMA (RoMA) and 1.9% on average net worth (Rs. 7.5 crore, 1.1% and 4.0%, respectively, in FY2025; Rs. 5.1 crore, 0.7% and 3.2%, respectively, in FY2024). ICRA notes that the management has taken steps to control credit costs while further scaling up the operations, though the materialisation of the same remains monitorable.

Liquidity position: Adequate

SFL had adequate free on-book liquidity of Rs. 105 crore as on December 31, 2025 (~Rs. 61 crore as on June 30, 2025), as per its provisional asset-liability management (ALM) statement. SFL also had unavailed sanctioned lines of ~Rs. 11 crore as of December 2025. These, along with scheduled collections of Rs. 146 crore, are sufficient to meet the scheduled debt obligations of Rs. 167 crore over the 6-month period of December 2025 to June 2026.

Rating sensitivities

Positive factors – Healthy growth in SFL’s scale of operations, along with an improvement in its asset quality and profitability, while maintaining a prudent capitalisation profile could positively impact the ratings. Also, an improvement in SCNL’s credit profile could positively impact the ratings.

Negative factors – A material change in the expected support from SCNL and/or a deterioration in the parent’s credit profile could negatively impact the ratings. Pressure on the ratings could also arise on a sustained deterioration in the scale and/or asset quality, adversely affecting the profitability profile, or a material weakening of the capitalisation profile

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Non-Banking Finance Companies (NBFCs)
Parent/group Support	The ratings factor in the high likelihood of support from SCNL (parent company), given the shared brand name and the operational and financial support already being extended to SFL.
Consolidation/standalone	Standalone

About the company

SFL is a non-banking financial company (NBFC) and a wholly-owned subsidiary of SCNL. It offers micro, small and medium enterprise (MSME) loans (retail and wholesale). It had operations in 11 states as on December 31, 2025 and reported an AUM of Rs. 759 crore. On a standalone basis, it reported a net profit of Rs. 3.1 crore in 9M FY2026 compared to Rs. 7.5 crore in FY2025.

SCNL is an NBFC-microfinance institution (NBFC-MFI), primarily offering joint liability group (JLG) loans to women. Apart from SFL, SCNL has three wholly-owned subsidiaries – Satin Housing Finance Limited, Satin Technologies Limited and Satin Growth Alternatives Limit.

Key financial indicators (audited)

Satin Finserv Limited	FY2024	FY2025	9M FY2026 [^]
Total income	121	127	125
Profit after tax	5	8	3
Total managed assets	643	687	935
Return on managed assets	0.7%	1.1%	0.5%
Managed gearing	2.4x	2.5x	2.7x
Gross NPA	4.3%	4.8%	4.7%
CRAR	48.0%	37.6%	36.1%

Source: Company, ICRA Research; All ratios as per ICRA’s calculations and estimates; Amount in Rs. crore; [^] Limited review financials for 9M FY2026

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Current (FY2026)				Chronology of rating history for the past 3 years						
	Type	Amount rated (Rs. crore)	Mar 05, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Bank facilities	Long term	80.00	[ICRA]A-(Stable)	Sep 25, 2025	[ICRA]A-(Stable)	Aug 28, 2024	[ICRA]A-(Stable)	Dec 27, 2023	[ICRA]A-(Stable)	-	-
				Dec 26, 2025	[ICRA]A-(Stable)	Dec 24, 2024	[ICRA]A-(Stable)	Jan 8, 2024	[ICRA]A-(Stable)	-	-
NCD programme	Long term	500.00	[ICRA]A-(Stable)	Sep-25, 2025	[ICRA]A-(Stable)	Aug 28, 2024	[ICRA]A-(Stable)	Jan 8, 2024	[ICRA]A-(Stable)	-	-
				Dec 26, 2025	[ICRA]A-(Stable)	Dec 24, 2024	[ICRA]A-(Stable)	-	-	-	-
Commercial paper	Short term	60.00	[ICRA] A2+	-	-	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term bank facilities	Simple
NCD programme	Simple
Commercial paper	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

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
INE03K307058	NCD programme	Sep-20-2024	10.80%	Sep-20-2026	25.00	[ICRA]A- (Stable)
INE03K307041	NCD programme	Aug-30-2024	10.80%	Aug-30-2026	19.99	[ICRA]A- (Stable)
INE03K307033	NCD programme	Jun-28-2024	10.85%	Jun-28-2026	25.00	[ICRA]A- (Stable)
INE03K307066	NCD programme	Sep-10-2025	10.95%	Mar-10-2027	30.00	[ICRA]A- (Stable)
INE03K307074	NCD programme	Sep-29-2025	10.95%	Sep-29-2027	30.00	[ICRA]A- (Stable)
INE03K307090	NCD programme	Jan-07-2026	10.85%	Jul-07-2027	40.00	[ICRA]A- (Stable)
INE03K307082	NCD programme	Dec-30-2025	10.95%	Jun-30-2027	25.00	[ICRA]A- (Stable)
INE03K307108	NCD programme	Feb-06-2026	10.75%	Feb-06-2028	50.00	[ICRA]A- (Stable)
INE03K307116	NCD programme	Feb-26-2026	10.75%	Feb-26-2028	30.00	[ICRA]A- (Stable)
Not issued yet	NCD programme	-	-	-	225.01	[ICRA]A- (Stable)
NA	Commercial paper	-	-	-	60.00	[ICRA]A2+
NA	Long-term bank facilities	Sep 2017 to Feb 2026	NA	NA	80.00	[ICRA]A- (Stable)

Source: Company

[Please Click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis: Not applicable

ANALYST CONTACTS

Karthik Srinivasan

+91 22 6114 3444

karthiks@icraindia.com

A.M. Karthik

+91 44 4596 4308

a.karthik@icraindia.com

Prateek Mittal

+91 33 6521 6812

prateek.mittal@icraindia.com

Arpit Agarwal

+91 124 4545 873

arpit.agarwal@icraindia.com

Chandni

+91 124 4545 844

chandni@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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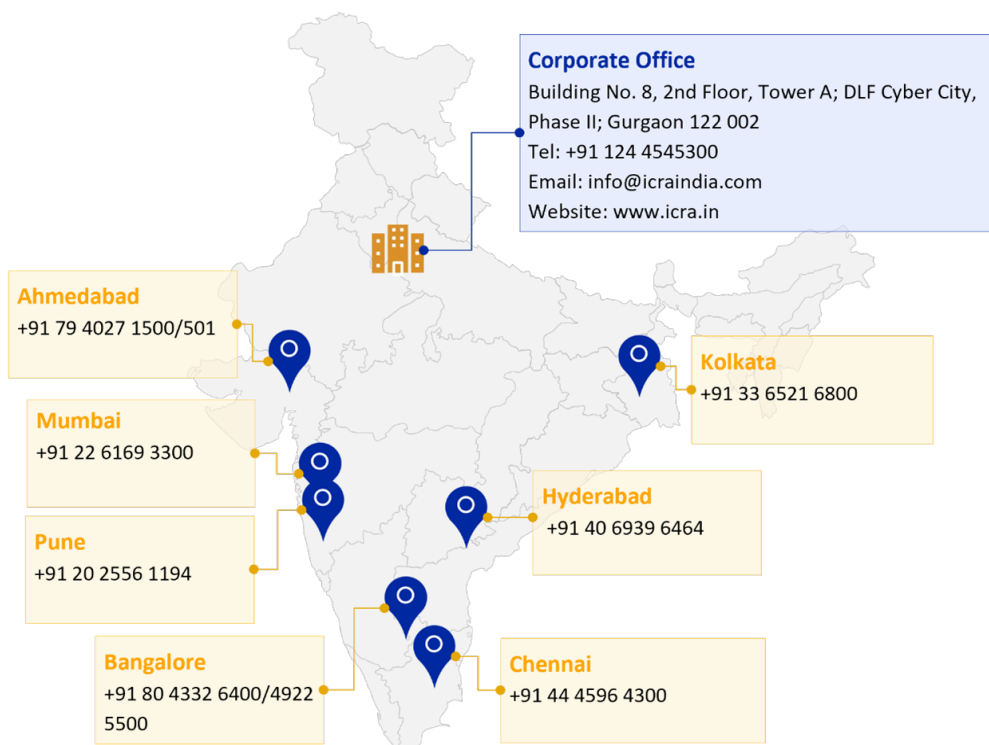


Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



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