

March 10, 2026

Satin Creditcare Network Limited: [ICRA]A (Stable) assigned/ratings reaffirmed; rating simultaneously withdrawn for matured NCDs

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/Short-term fund-based bank facilities	4,500.00	4,500.00	[ICRA]A (Stable)/[ICRA]A1; reaffirmed
Non-convertible debentures	1,419.50	1,419.50	[ICRA]A (Stable); reaffirmed
Non-convertible debentures	115.00	-	[ICRA]A (Stable); reaffirmed and withdrawn
Non-convertible debentures	-	300.00	[ICRA]A(Stable); Assigned
Subordinated debt	330.00	330.00	[ICRA]A(Stable); Reaffirmed
Commercial paper	200.00	200.00	[ICRA]A1; reaffirmed
Total	6,564.50	6,749.50	

*Instrument details are provided in Annexure-I

Rationale

The ratings factor in Satin Creditcare Network Limited's (SCNL) established track record in microfinance operations. It is one of the larger non-banking financial company-microfinance institutions (NBFC-MFIs) in India with assets under management (AUM; consolidated) of Rs. 13,341 crore as on December 31, 2025 and a fairly diversified presence across 28 states/Union Territories (UTs; standalone). The ratings also consider the company's adequate capitalisation profile with a consolidated managed gearing (including off-book portfolio as debt) of 4.9 times as on December 31, 2025. In ICRA's opinion, SCNL's capitalisation profile is likely to remain adequate, given its growth plans.

ICRA takes note of the deterioration in the asset quality in FY2025 and 9M FY2026 with the gross non-performing assets (GNPAs; consolidated) increasing to 3.5% as on December 31, 2025 (3.7% as on March 31, 2025) from 2.4% as on March 31, 2024. The microfinance industry, including SCNL, is facing asset quality challenges due to borrower overleveraging, socio-political disruptions, and operational challenges largely related to employee attrition. Given the asset quality challenges, SCNL's earnings profile remains under pressure with the company reporting a net profit of Rs. 170 crore, translating into an annualised return on average managed assets (RoMA) of 1.5% in 9M FY2026 (Rs. 186 crore and 1.3%, respectively, in FY2025; Rs. 436 crore and 3.6%, respectively, in FY2024). The company's ability to control slippages and contain credit costs shall remain a key rating monitorable. The ratings continue to factor in the risks associated with the unsecured nature of microfinance loans, the marginal borrower profile, which is susceptible to income shocks, and the political and operational risks inherent in the microfinance business.

ICRA has reaffirmed and simultaneously withdrawn the rating for the Rs. 115.00-crore non-convertible debentures. The rating has been withdrawn as the instruments have matured/been redeemed with no amount outstanding against the same. This is in accordance with ICRA's policy on the withdrawal of credit ratings.

The Stable outlook on the long-term rating reflects ICRA's opinion that SCNL will be able to sustain a steady credit profile while expanding its scale of operations and maintaining adequate capitalisation.

Key rating drivers and their description

Credit strengths

Established track record of operations with healthy geographical diversification – SCNL has an established track record of more than three decades in the microfinance industry. The company reported a consolidated AUM of Rs. 13,341 crore as on December 31, 2025 (standalone AUM of Rs. 11,481 crore) and is one of the larger NBFC-MFIs (by AUM) operating in India. Further, the standalone operations are fairly diversified geographically with a presence in 478 districts across 28 states/UTs through a network of 1,817 branches as on December 31, 2025. The top 4 states comprised 56% of the consolidated AUM as on December 31, 2025 with Uttar Pradesh (UP) accounting for 24%. Apart from microfinance, SCNL offers affordable housing loans, micro, small and medium enterprise (MSME) loans and technological solutions through its subsidiaries – Satin Housing Finance Limited (Satin HFL), Satin Finserv Limited (SFL), Satin Technologies Limited and Satin Growth Alternatives Limited.

Adequate capitalisation profile – The company's capitalisation profile remains adequate with a capital-to-risk weighted assets ratio (CRAR; standalone) of 24.6%, as on December 31, 2025, well above the regulatory requirement of 15%. It was able to maintain its gearing levels with a consolidated managed gearing of 4.9 times as on December 31, 2025 (4.5 times as of March 2025; 4.6 times as of March 2024), given the moderation in growth. The managed gearing was lower at the standalone level at 3.9 times as of December 2025 (3.6 times as of March 2025; 3.7 times as of March 2024). SCNL last raised Rs. 367-crore equity capital in FY2024. In ICRA's opinion, the company's capitalisation profile is likely to remain adequate, given its moderate near-term growth plans.

Credit challenges

Subdued profitability amid elevated credit costs – SCNL's asset quality deteriorated in FY2025 with the consolidated GNPA increasing to 3.7% as on March 31, 2025 from 2.4% as on March 31, 2024. Additionally, it held security receipts of 0.6% of on-book portfolio as on March 31, 2025. The reported standalone GNPA remained largely stable at 3.3% as on December 31, 2025, supported by write-offs and the sale of portfolio to asset reconstruction companies. ICRA notes that the asset quality is showing signs of stabilisation with the gradual improvement in the collection efficiency and the decline in SCNL's standalone 0+ days past due (dpd) to 4.7% as on December 31, 2025 from 5.8% as on September 30, 2025 (4.9% in March 2025). Nonetheless, asset quality pressure is expected to persist in the near term and the company's ability to control slippages and achieve recoveries from delinquent accounts remains monitorable.

Given the asset quality challenges, the company's credit costs remained elevated at 3.7% (consolidated; annualised) of average managed assets (AMA) in 9M FY2026 (3.7% in FY2025; 1.2% in FY2024), affecting the overall profitability. SCNL reported a consolidated profit after tax (PAT) of Rs. 170 crore, translating into an annualised RoMA of 1.5% in 9M FY2026 (Rs. 186 crore and 1.3%, respectively, in FY2025; Rs. 436 crore and 3.6%, respectively, in FY2024), below the ICRA stipulated threshold on profitability. At the standalone level, it reported a PAT of Rs. 165 crore, translating into an annualised RoMA of 1.5% in 9M FY2026 (Rs. 217 crore and 1.6%, respectively, in FY2025; Rs. 423 crore and 3.7%, respectively, in FY2024). ICRA expects credit costs to remain elevated in the near term and the profitability to stay under pressure in FY2026, followed by some improvement in FY2027.

Political, communal and other risks, given the unsecured lending and marginal borrower profile – Although SCNL has ventured into housing and MSME lending through its subsidiaries, microfinance continues to account for the majority of its consolidated AUM (87% as of December 2025). Consequently, the company remains vulnerable to the risks associated with the unsecured nature of microfinance loans. Unsecured lending to the marginal borrower profile and the political and operational risks associated with microlending may result in high volatility in the asset quality indicators. The microfinance industry is prone to socio-political and operational risks, which could negatively impact the company's operations and thus its financial position. SCNL's ability to onboard borrowers with a good credit history, recruit and retain employees, and maintain geographical diversity would be a key monitorable.

Further, SCNL's subsidiaries, Satin HFL and SFL, have moderate track records as a major part of their AUM was disbursed in the last few quarters. Given the nascent stage of operations and the significant growth in the portfolio in the past few years, their long-term performance is yet to be seen.

Environment and social risks

Environmental – While MFIs like SCNL do not face material physical climate risks, they are exposed to environmental risks indirectly through their portfolio of assets. If the borrowers, to whom such MFIs have an exposure, face livelihood disruption because of physical climate adversities, the same could translate into credit risks for MFIs. However, SCNL benefits from healthy geographical diversification of its portfolio, partially mitigating such risk. Further, it largely provides loans with an average tenure of around two years, which will allow it to adapt and take incremental exposure to borrowers facing relatively fewer downside environmental risks.

Social – With regard to social risks, data security and customer privacy are among the key sources of vulnerability for MFIs as material lapses could be detrimental to their reputation and invite regulatory censure. SCNL has not faced such lapses over the years, which highlights its sensitivity to such risks. Further, it contributes to promoting financial inclusion by lending to underserved women borrowers, largely in rural areas.

Liquidity position: Strong

On a standalone basis, SCNL reported on-book liquidity of Rs. 2,083 crore as on December 31, 2025 (consolidated on-book liquidity of ~Rs. 2,265 crore), as per its asset-liability management (ALM) statement. Further, it had sanctioned unutilised funding lines (excluding sanctions for direct assignment and non-convertible debentures) of more than Rs. 2,206 crore as on December 31, 2025. These, along with scheduled collections of Rs. 5,066 crore over the 12 month-period ending December 31, 2026, would be sufficient to cater to the scheduled debt obligations of Rs. 5,058 crore during this period. ICRA takes note of the covenant breach pertaining to ~Rs. 243 crore of borrowings across five lenders or investors. The company has secured waivers from two of them (~Rs. 23 crore) and is in the process of obtaining waivers from the rest. ICRA takes comfort from the fairly diversified borrowing profile and the demonstrated track record of raising funds in a timely manner from diverse sources.

Rating sensitivities

Positive factors – An improvement in the asset quality and scale of operations, while maintaining adequate profitability (consolidated RoMA of more than 3.0%) and prudent capitalisation indicators on a sustained basis, could positively impact the ratings.

Negative factors – Pressure on the ratings could arise if the company witnesses a material deterioration in the asset quality metrics and/or profitability, with consolidated RoMA of less than 2%, on a sustained basis. Further, weakening of the capitalisation profile with a consolidated managed gearing of more than 5.5 times or a stretch in the liquidity position could exert pressure on the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Non-Banking Finance Companies (NBFCs) Policy on Withdrawal of Credit Ratings
Parent/group Support	Not Applicable
Consolidation/standalone	Consolidated

About the company

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 (audited)

Satin Creditcare Network Limited (audited; consolidated)	FY2024	FY2025	9M FY2026*
Accounting as per	Ind-AS	Ind-AS	Ind-AS
Total income	2,241	2,602	2,259
Profit after tax	436	186	170
Total managed assets	13,610	14,387	15,395
Return on average managed assets	3.6%	1.3%	1.5%
Managed gearing (times)	4.6	4.5	4.9
Gross NPA	2.4%	3.7%	3.5%

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. Crore. Managed gearing = (On-book borrowings + Off-book portfolio)/Net worth; *Limited review of financials

Satin Creditcare Network Limited (audited; standalone)	FY2024	FY2025	9M FY2026*
Accounting as per	Ind-AS	Ind-AS	Ind-AS
Total income	2,051	2,377	2,029
Profit after tax	423	217	165
Total managed assets	12,934	13,517	15,374
Return on average managed assets	3.7%	1.6%	1.5%
Managed gearing (times)	3.7	3.6	3.9
Gross NPA	2.5%	3.7%	3.3%
CRAR	27.7%	25.9%	24.6%

Source: Company, ICRA Research; 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

Instrument	Current rating (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	March 10, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based- Others	Long Tem/Short Term	4,500.00	[ICRA]A (Stable)/[ICRA]A1	Jul-16-25	[ICRA]A (Stable)/[ICRA]A1	Apr-19-24	[ICRA]A (Stable)/[ICRA]A1	Jun-9-23	[ICRA]A- (Stable)/[ICRA]A1	Sep-19-22	[ICRA]A- (Negative)/[ICRA]A1
				Aug-14-25	[ICRA]A (Stable)/[ICRA]A1	May-10-24	[ICRA]A (Stable)/[ICRA]A1	Aug-31-23	[ICRA]A- (Stable)/[ICRA]A1	Mar-28-23	[ICRA]A- (Negative)/[ICRA]A1
				-	-	Aug-2-24	[ICRA]A (Stable)/[ICRA]A1	Aug-31-23	[ICRA]A- (Stable)/[ICRA]A1	-	-
				-	-	Dec-24-24	[ICRA]A (Stable)/[ICRA]A1	Dec-26-23	[ICRA]A (Stable)/[ICRA]A1	-	-
				-	-	Jan-31-25	[ICRA]A (Stable)/[ICRA]A1	Dec-26-23	[ICRA]A (Stable)/[ICRA]A1	-	-
				-	-	-	-	Jan-8-24	[ICRA]A (Stable)/[ICRA]A1	-	-
				-	-	-	-	Jan-8-24	[ICRA]A (Stable)/[ICRA]A1	-	-
				-	-	-	-	Jan-16-24	[ICRA]A (Stable)/[ICRA]A1	-	-
Commercial Paper	Short Term	200.00	[ICRA]A1	Jul-16-25	[ICRA]A1	Apr-19-24	[ICRA]A1	Jun-9-23	[ICRA]A1	Apr-12-22	[ICRA]A1
				Aug-14-25	[ICRA]A1	May-10-24	[ICRA]A1	Aug-31-23	[ICRA]A1	Sep-19-22	[ICRA]A1
				-	-	Aug-2-24	[ICRA]A1	Dec-26-23	[ICRA]A1	Mar-28-23	[ICRA]A1
				-	-	Dec-	[ICRA]A1	Jan-8-	[ICRA]A1	-	-

Instrument	Current rating (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	March 10, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
						24-24		24			
				-	-	Jan-31-25	[ICRA]A1	Jan-16-24	[ICRA]A1	-	-
Non-convertible debentures	Long Term	1,419.50	[ICRA]A (Stable)	Jul-16-25	[ICRA]A (Stable)	-	-	-	-	-	-
				Aug-14-25	[ICRA]A (Stable)	-	-	-	-	-	-
Non-convertible debentures	Long Term	115.00	[ICRA]A (Stable); withdrawn	Jul-16-25	[ICRA]A (Stable)	-	-	-	-	-	-
				Aug-14-25	[ICRA]A (Stable)	-	-	-	-	-	-
Non-convertible debentures	Long Term	300.00	[ICRA]A (Stable)	-	-	-	-	-	-	-	-
Subordinated debt	Long Term	330.00	[ICRA]A (Stable)	Jul-16-25	[ICRA]A (Stable)	Apr-19-24	[ICRA]A (Stable)	Jun-9-23	[ICRA]A- (Stable)	Apr-12-22	[ICRA]A- (Negative)
				Jul-16-25	[ICRA]A (Stable)	May-10-24	[ICRA]A (Stable)	Aug-31-23	[ICRA]A- (Stable)	Sep-19-22	[ICRA]A- (Negative)
				Aug-14-25	[ICRA]A (Stable)	May-10-24	[ICRA]A (Stable); withdrawn	Dec-26-23	[ICRA]A (Stable)	Mar-28-23	[ICRA]A- (Negative)
				Aug-14-25	[ICRA]A (Stable)	Aug-2-24	[ICRA]A (Stable)	Jan-8-24	[ICRA]A (Stable)	-	-
				-	-	Dec-24-24	[ICRA]A (Stable)	Jan-16-24	[ICRA]A (Stable)	-	-
				-	-	Jan-31-25	[ICRA]A (Stable)	Jan-16-24	[ICRA]A (Stable)	-	-

Instrument	Current rating (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	March 10, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
				-	-	Jan-31-25	[ICRA]A (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Commercial Paper	Simple
Fund-based bank facilities	Simple
NCD	Simple
Subordinated debt	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
Not issued	CP programme	NA	NA	NA	200.00	[ICRA]A1
INE836B08285	Subordinated debt	Jan-19-24	12.75%	Jul-19-29	50.00	[ICRA]A (Stable)
INE836B07733	NCD	Jun-28-23	10.90%	May-08-27	53.82	[ICRA]A (Stable)
INE836B07766	NCD	Aug-14-23	10.85%	Aug-14-27	14.17	[ICRA]A (Stable)
INE836B07758	NCD	Aug-09-23	10.85%	Aug-09-27	26.83	[ICRA]A (Stable)
INE836B07782	NCD	Oct-13-23	11.00%	Jan-13-26	50.00	[ICRA]A (Stable); withdrawn
INE836B07790	NCD	Nov-01-23	13.00%	Sep-11-26	100.00	[ICRA]A (Stable)
INE836B07824	NCD	Dec-01-23	11.70%	Dec-01-28	45.65	[ICRA]A (Stable)
INE836B07832	NCD	Jan-12-24	10.85%	Jul-10-26	50.00	[ICRA]A (Stable)
INE836B07865	NCD	May-24-24	10.53%	May-24-29	332.00	[ICRA]A (Stable)
INE836B07840	NCD	Apr-23-24	10.60%	Oct-23-26	75.00	[ICRA]A (Stable)
INE836B07857	NCD	May-02-24	10.40%	Apr-30-27	70.00	[ICRA]A (Stable)
To be issued	NCD	NA	NA	NA	72.53	[ICRA]A (Stable)
To be issued	NCD	NA	NA	NA	200.00	[ICRA]A (Stable)
INE836B07634	NCD	Mar-07-22	11.77%	Mar-06-26	75.00	[ICRA]A (Stable)
INE836B07642	NCD	Mar-30-22	11.77%	Mar-30-26	30.00	[ICRA]A (Stable)
INE836B07667	NCD	Jun-24-22	11.15%	Jun-24-27	96.25	[ICRA]A (Stable)
INE836B07675	NCD	Dec-12-22	12.15%	Dec-12-27	65.00	[ICRA]A (Stable); withdrawn
INE836B07683	NCD	Jan-16-23	12.30%	Jan-16-27	25.00	[ICRA]A (Stable)
INE836B07691	NCD	Feb-24-23	11.69%	Feb-24-26	20.60	[ICRA]A (Stable)
INE836B07709	NCD	Mar-13-23	11.72%	Mar-12-27	78.40	[ICRA]A (Stable)
INE836B07907	NCD	Jan-13-26	10.15%	Jul-13-28	80.00	[ICRA]A (Stable)
INE836B07915	NCD	Jan-30-26	10.00%	Jan-30-28	125.00	[ICRA]A (Stable)
To be issued	NCD	NA	NA	NA	54.25	[ICRA]A (Stable)
To be issued	NCD	NA	NA	NA	95.00	[ICRA]A (Stable)
INE836B08202	Subordinated debt	Dec-17-19	15.50%	Dec-31-26	30.00	[ICRA]A (Stable)
INE836B08210	Subordinated debt	Mar-24-20	13.14%	Apr-24-27	50.05	[ICRA]A (Stable)
To be issued	Subordinated debt	NA	NA	NA	19.95	[ICRA]A (Stable)
To be issued	Subordinated debt	NA	NA	NA	80.00	[ICRA]A (Stable)

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
To be issued	Subordinated debt	NA	NA	NA	100.00	[ICRA]A (Stable)
NA	LT/ST fund-based bank facilities	Jun-18 to Nov-23	9.95% to 12.5%	Jul-23 to Jul-26	4,500.00	[ICRA]A (Stable)/[ICRA]A1

Source: Company; LT – Long term; ST – Short term

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

Annexure II: List of entities considered for consolidated analysis

Company name	SCNL ownership (as on December 31, 2025)	Consolidation approach
Satin Finserv Limited	100.00%	Full consolidation
Satin Housing Finance Limited	100.00%	Full consolidation
Satin Technologies Limited	100.00%	Full consolidation
Satin Growth Alternatives Limited	100.00%	Full consolidation

Source: Company

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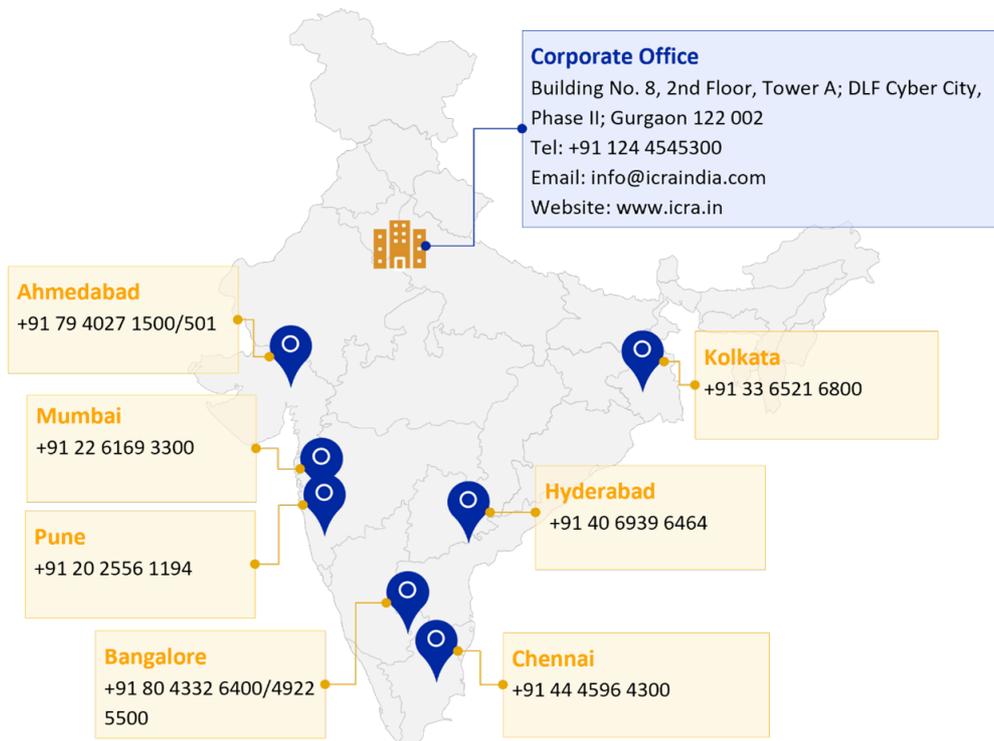


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