

April 22, 2026

SBI Factors Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Subordinated debt programme	200.00	200.00	[ICRA]AAA (Stable); reaffirmed
Long-term/Short-term fund-based/ Non-fund based bank lines	5,050.00	5,050.00	[ICRA]AAA (Stable)/[ICRA]A1+; reaffirmed
Commercial paper programme	750.00	750.00	[ICRA]A1+; reaffirmed
Total	6,000.00	6,000.00	

*Instrument details are provided in Annexure II

Rationale

The ratings consider SBI Factors Limited's (SBI Factors) strong parentage as it is a wholly-owned subsidiary of State Bank of India¹ (SBI). The ratings take into account the management support from SBI and the shared brand name, which strengthens ICRA's expectation that the company is likely to receive timely and adequate financial support from the bank. Further, as it is a subsidiary of SBI, it enjoys strong financial flexibility with access to diverse sources of funds at competitive rates, including funding lines from SBI. The ratings also factor in SBI Factors' adequate capitalisation with a net worth of Rs. 567 crore and a gearing of 4.0 times as on December 31, 2025. While the gearing is likely to rise with the increase in the scale of operations, ICRA expects capital support from the parent to support the growth plans.

SBI Factors' scale of operations has expanded steadily over the years, with funds in use (FIU) increasing to Rs. 2,881 crore as on December 31, 2025 (Rs. 1,837 crore as on March 31, 2024 and Rs. 1,278 crore as on March 31, 2023). However, growth remained modest at 2.8% in 9M FY2026 as the company has discontinued its non-core factoring activities. It is now focussed exclusively on scaling up its core factoring business, which continued to demonstrate strong momentum, growing by 37.6% year-to-date in 9M FY2026.

Following the [RBI's December 2025](#) guidelines, ICRA will monitor any changes in the company's business plans and activities, in line with the revised regulatory framework. Material weakening of linkages with SBI would remain a negative rating factor.

SBI Factors' gross stage 3 stood at 1.3% as on December 31, 2025. The company's profitability has been supported by recoveries from written-off accounts with an annualised return on managed assets of 2.6% in 9M FY2025 (2.8% in FY2024). Given the intense competition from larger banks, SBI Factors' ability to maintain its funding costs will be a key driver of FIU growth while its capacity to maintain the asset quality will be the main factor for a sustained improvement in its profitability.

The Stable outlook reflects ICRA's expectation of continued benefit from the company's parentage, including capital support if required, financial flexibility as it is a subsidiary of SBI and operational synergies with the parent.

Key rating drivers and their description

Credit strengths

Strong parentage – SBI Factors is a wholly-owned subsidiary of SBI with regular oversight from the bank. The company's Managing Director & Chief Executive Officer (MD & CEO) is on deputation from SBI. Further, its Chairman is the MD – Corporate Banking & Subsidiaries of SBI. Additionally, some of the heads of SBI Factors' branches are appointed through deputation from

¹ Rated [ICRA]AAA (Stable) for its Basel III Tier II bonds

SBI. As it is a subsidiary of SBI, the company enjoys financial flexibility with access to diverse sources of funds at competitive rates. It also has access to sizeable unutilised bank lines from its parent to meet any liquidity requirements. Given the shared brand name, ICRA expects the company to receive capital/liquidity support from the parent if required.

Adequate capitalisation – The company’s capitalisation remained adequate with a capital-to-risk weighted assets ratio (CRAR) of 22.0% (Tier I – 18.6%) and a gearing of 4.0 times as on December 31, 2025. While the gearing is likely to rise with the increase in the scale of operations, ICRA expects capital support from the parent to help it achieve its growth plans.

The company reported a return on managed assets (RoMA) and a return on equity (RoE) of 2.6% and 14.2%, respectively, in 9M FY2026 (2.4% and 11.9%, respectively, in FY2025 and 2.8% and 10.3%, respectively, in FY2024). The profitability has been supported by the reversal in credit costs with the recoveries from written-off accounts and the improvement in the operating efficiency with the scaling up of operations. Given the expectation of limited incremental recoveries from the written-off pool and intense competition from larger banks, SBI Factors’ ability to maintain its funding costs will be a key driver of FIU growth while its capacity to maintain the asset quality will be the main factor for a sustained improvement in its profitability.

Credit challenges

Exposed to asset quality risks due to unsecured loans – The company’s asset quality was impacted by the legacy accounts, which were sanctioned by Global Trade Finance (GTF) before SBI Factors came into existence. Following the merger of GTF and SBI Factors in FY2011, the credit policy and client selection process were revamped. As a result, fresh slippages from the newer originations have been limited. Supported by write-offs and recoveries over the years, the company’s gross stage 3 declined to 1.3% on December 31, 2025 from 12.4% as on March 31, 2021. Further, the stage 3 assets are adequately provided for with net stage 3 of 0.2% of total assets as on December 31, 2025. Going forward, losses upon default can be high as the exposures taken by the company are typically unsecured. Hence, its ability to maintain strong asset quality on a consistent basis is key for profitability.

SBI Factors’ scale of operations has expanded steadily over the years, with the FIU increasing to Rs. 2,881 crore as on December 31, 2025 (Rs. 1,837 crore as on March 31, 2024 and Rs. 1,278 crore as on March 31, 2023). However, growth remained modest at 2.8% in 9M FY2026 as the company has discontinued its non-core factoring activities (declined by 79.8% in 9M FY2026). It is now focussing exclusively on scaling up its core factoring business, which continued to grow strongly by 37.6% year-to-date in 9M FY2026. As a result, the core factoring business, which includes domestic factoring, export factoring and the Trade Receivables Electronic Discounting System (TReDS), accounted for 90.7% of the FIU as on December 31, 2025 (up from 68.7% as on March 31, 2025). The gold loan pool, reverse factoring and letter of credit discounting accounted for 5.0%, 3.1% and 1.2%, respectively, of the FIU as on December 31, 2025 (25.2%, 1.4% and 4.7%, respectively, as on March 31, 2025).

Liquidity position: Adequate

As on February 28, 2026, SBI Factor held Rs. 5.2 crore of cash and liquid investments along with Rs. 2,661 crore of unutilised bank lines against total debt repayment of Rs. 1,938 crore scheduled to mature until August 2026. Liquidity is supported by monthly repayments from the loan portfolio. The company had no cumulative mismatches up to three years as per the Statement of Structural Liquidity (SLS) as on February 26, 2026.

Rating sensitivities

Positive factors – Not applicable

Negative factors – The ratings could be revised if there is a deterioration in the credit risk profile of the parent or a significant change in the shareholding or linkages with the parent. A material weakening in the asset quality, affecting the company’s capitalisation, could also lead to a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Non-banking Finance Companies (NBFCs)
Parent/Group support	The ratings factor in the high likelihood of financial support from SBI to SBI Factors, driven by reputational and strategic considerations.
Consolidation/Standalone	The ratings are based on the company's standalone financial statements.

About the company

SBI Factors (previously known as SBI Global Factors Limited) was incorporated in 2010 following the merger of SBI Factors & Commercial Services Pvt. Ltd. with Global Trade Finance Ltd. Prior to September 5, 2022, SBI held an 86.18% stake in the company while the balance was held by Small Industries Development Bank of India (SIDBI), Bank of Maharashtra (BoM) and Union Bank of India (UBI). On September 5, 2022, SBI acquired the entire stake from the other shareholders via a share purchase agreement and SBI Factors is now a wholly-owned subsidiary of SBI.

Headquartered in Mumbai with 10 branches across India, the company provides export and domestic factoring services with a focus on small and medium-sized enterprises (SMEs). It is licensed by the Reserve Bank of India to undertake export (with and without recourse) and import factoring. SBI Factors is a member of Factors Chain International (FCI), an umbrella organisation for global factoring companies.

Key financial indicators (audited)

SBI Factors Limited	FY2024	FY2025	9M FY2026
Total income	142	223	206
PAT	44	57	57
Total managed assets	1,885	2,840	2,938
Return on managed assets (annualised)	2.8%	2.4%	2.6%
Managed gearing (times)	3.0	4.4	4.0
Gross stage 3	2.4%	0.7%	1.3%
CRAR	26.7%	20.6%	22.0%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Apr-22-2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Subordinated debt programme	Long term	200.00	[ICRA]AAA (Stable)	Apr-23-25	[ICRA]AAA (Stable)	May-22-24	[ICRA]AAA (Stable)	Mar-22-24	[ICRA]AAA (Stable)
						Nov-27-24	[ICRA]AAA (Stable)		
Long-term/Short-term fund-based/Non-fund based bank lines	Long term/Short term	5,050.00	[ICRA]AAA (Stable)/[ICRA]A1+	Apr-23-25	[ICRA]AAA (Stable)/[ICRA]A1+	May-22-24	[ICRA]AAA (Stable)/[ICRA]A1+	Mar-22-24	[ICRA]AAA (Stable)/[ICRA]A1+
						Nov-27-24	[ICRA]AAA (Stable)/[ICRA]A1+		
Commercial paper programme	Short term	750.00	[ICRA]A1+	Apr-23-25	[ICRA]A1+	May-22-24	[ICRA]A1+	Mar-22-24	[ICRA]A1+
						Nov-27-24	[ICRA]A1+		

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Subordinated debt programme	Simple
Commercial paper programme	Simple
Long-term/Short-term fund-based/Non-fund based bank lines	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 II: Instrument details

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
INE912E08AE7	Subordinated debt programme	Jul 28, 2021	7.28%	Jul 28, 2031	100.0	[ICRA]AAA (Stable)
Not yet placed	Subordinated debt programme	-	-	-	100.0	[ICRA]AAA (Stable)
Not applicable	Long-term/Short-term fund-based/Non-fund based bank lines – Others	-	-	-	5,050.0	[ICRA]AAA (Stable)/[ICRA]A1+
Not yet placed	Commercial paper programme	-	-	7-365 days	750.0	[ICRA]A1+

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Not applicable

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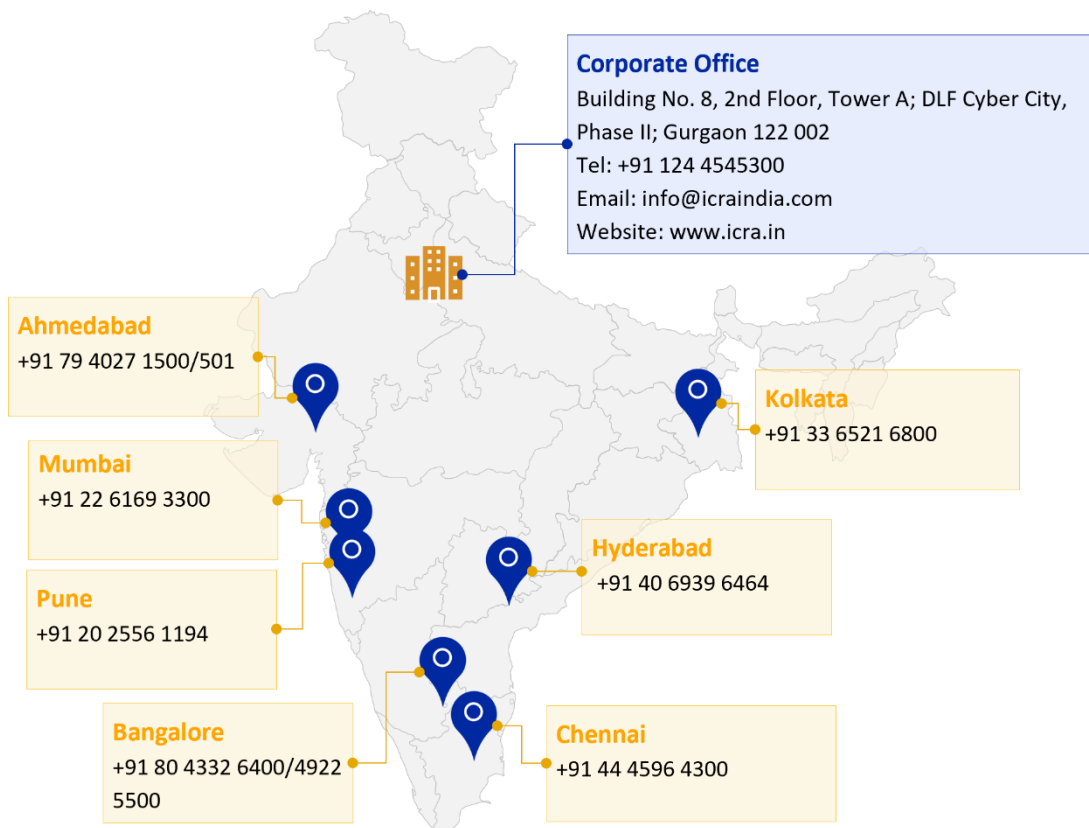
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