

June 23, 2026

Satin Finserv Limited: [ICRA]A- (Stable) assigned; ratings reaffirmed and rated amount enhanced

Summary of rating action

| Instrument* | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action |
|---------------------------------------|--------------------------------------|-------------------------------------|--|
| LT bank facilities programme – Others | 80.00 | 125.00 | [ICRA]A- (Stable); reaffirmed and assigned for enhanced amount |
| NCD programme | 500.00 | 500.00 | [ICRA]A- (Stable); reaffirmed |
| NCD programme | 0.00 | 300.00 | [ICRA]A- (Stable); assigned |
| Commercial paper | 60.00 | 60.00 | [ICRA]A2+; reaffirmed |
| Total | 640.00 | 985.00 | |

*Instrument details are provided in Annexure II; 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 the company, it provides board-level guidance in the form of a common director – Dr. H P Singh (promoter of SCNL) – and regular capital support. 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 29.6% and a managed gearing of 3.1 times as on March 31, 2026. The capitalisation profile remains supported by timely equity infusions, with the most recent being Rs. 50 crore from SCNL in May 2026 (Rs. 90 crore raised from SCNL in FY2026). 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. 1,054 crore as on March 31, 2026 (on-book portfolio of Rs. 949 crore) against Rs. 547 crore (on-book portfolio of Rs. 516 crore) as on March 31, 2025. The company reported high growth of ~93% in its AUM in FY2026, with the rapid expansion of the newly launched vertical – Sustainable & Emerging Businesses (SEB) – in H2 FY2026. Under this vertical, the company is offering relatively higher ticket size loans (Rs. 1 crore to Rs. 20 crore) with a focus on sustainable financing. The share of this vertical in SFL's AUM increased to 39% as on March 31, 2026 from 7% as on March 31, 2025, comprising ~63 borrowers, indicating a rise in credit concentration risk. ICRA expects AUM growth to remain high in the near-to-medium term with SEB projected to comprise 40% of the AUM over the medium term.

To support its high growth plans, SFL shall need to diversify its funding relations and raise debt funds apart from receiving regular equity infusions. As on March 31, 2026, its funding profile comprised loans from non-convertible debentures (NCDs; ~39%), non-banking financial companies (NBFCs; ~26%), pass through certificates (PTCs) (~14%), direct assignment (DA) book (~11%), loans from banks (~6%) and external commercial borrowings (ECB; ~4%).

SFL reported gross non-performing assets (GNPAs) of 3.8% as of March 2026 (4.7% as of December 2025, 4.8% as of March 2025). While the reported asset quality ratios declined in FY2026, supported by high AUM growth, delinquencies have increased in the retail vertical with the 30+ and 90+ days past due (dpd) rising to 9.1% and 6.5%, respectively, as on March 31, 2026 from 8.1% and 4.8%, respectively, as on March 31, 2025. Since the underlying borrowers in the retail vertical are vulnerable to income shocks, the company's ability to engage with customers and improve its systems and controls continuously to enhance the asset quality remains critical. Further, the concentrated nature and low seasoning of the newly launched SEB vertical have increased portfolio vulnerability. Additionally, SFL's profitability remains moderate primarily on

account of higher credit costs and operational expenses. 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, 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 29.6% as on March 31, 2026 (37.6% as on March 31, 2025). The managed gearing stood at 3.1 times as on March 31, 2026 (2.4 times as on March 31, 2025 as well as March 31, 2024). The capitalisation profile remains supported by timely equity infusions, with the most recent being Rs. 50 crore from SCNL in May 2026 (Rs. 90 crore raised from SCNL in FY2026). ICRA expects SFL to remain adequately capitalised, as it scales up its operations, and receive support from the parent.

Credit challenges

Moderate scale of operations – Operating since March 2019, SFL's scale remains moderate with AUM of Rs. 1,054 crore as on March 31, 2026 (on-book portfolio of Rs. 949 crore). AUM growth was higher at 93% in FY2026 as disbursements picked up in the newly launched vertical (SEB) in H2 FY2026. The share of this vertical in the company's AUM increased to 39% as on March 31, 2026 from 7% as on March 31, 2025. ICRA expects AUM growth to remain high in the near-to-medium term with SEB projected to comprise 40% of the AUM over the medium term.

Moderate asset quality and increased portfolio vulnerability – SFL's asset quality remains moderate with GNPA's of 3.8% as on March 31, 2026 (4.7% as on December 31, 2025; 4.8% as of March 2025; 4.3% as on March 31, 2024). While the reported asset quality ratios declined in FY2026, supported by high AUM growth, delinquencies have increased in the retail vertical. Additionally, the company was holding security receipts of ~Rs. 6 crore (0.6% of on-book portfolio) as of March 2026. As the underlying borrowers in the retail vertical are vulnerable to income shocks, SFL's ability to engage with customers and improve its systems and controls continuously to enhance the asset quality remains critical. Moreover, since the launch of the SEB vertical, portfolio vulnerability has increased, given the relatively high concentration with the top 20 borrowers comprising 25% of AUM and 91% of net worth as on March 31, 2026. These SEB borrowers have relatively small scale of operations and the majority of them are unrated. Given the concentrated nature and low seasoning of the newly launched SEB vertical, the company is exposed to lumpy deterioration in the asset quality.

Subdued earnings profile – SFL's profitability profile remains subdued on account of elevated credit costs and operational expenses. Credit costs increased to 2.7% of average managed assets (AMA) in FY2026 from 2.0% in FY2025 (0.5% in FY2024), given the moderate asset quality in the retail vertical. Operational expenses also remained high at 7.4% of AMA in FY2026. Further, SFL reported a profit after tax (PAT) of Rs. 10.5 crore in FY2026, translating into an annualised return of 1.1% on AMA (RoMA) and 4.4% 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). The management has taken steps to control credit costs and operational expenses while further scaling up the operations, though the impact of the same remains monitorable.

Liquidity position: Adequate

The liquidity profile remains adequate, supported by on-book liquidity, with a free cash and bank balance of ~Rs. 110 crore as on March 31, 2026. As per its asset-liability management statement, the company had scheduled collections (principal) of ~Rs. 225 crore against scheduled debt repayments (principal) of Rs. 220 crore during April-September 2026. SFL also had unavailed sanctioned lines of ~Rs. 25 crore as of March 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 asset quality, adversely affecting the profitability profile, or on material weakening of the capitalisation profile.

Analytical approach

| Analytical approach | Comments |
|---------------------------------|---|
| Applicable rating methodologies | Non-banking Finance Companies |
| 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 micro enterprise group and SEB). It had operations in 14 states as on March 31, 2026 and reported an AUM of Rs. 1,054 crore. On a standalone basis, it reported a net profit of Rs. 10.5 crore in 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 Limited.

Key financial indicators (audited)

| Satin Finserv Limited | FY2024 | FY2025 | FY2026 |
|--------------------------|--------|--------|--------|
| Total income | 121 | 123 | 177 |
| Profit after tax | 5 | 8 | 11 |
| Total managed assets | 640 | 674 | 1,224 |
| Return on managed assets | 0.7% | 1.1% | 1.1% |
| Managed gearing | 2.4x | 2.4x | 3.1x |
| Gross NPA | 4.3% | 4.8% | 3.8% |
| CRAR | 48.0% | 37.6% | 29.6% |

Source: Company, ICRA Research; All ratios as per ICRA’s calculations and estimates; 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) | Jun 23, 2026 | FY2026 | | FY2025 | | FY2024 | |
| | | | | Date | Rating | Date | Rating | Date | Rating |
| Bank facilities | Long term | 125.00 | [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) |
| | | | | Mar 05, 2026 | [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) | - | - |
| | | | | Mar 05, 2026 | [ICRA]A-(Stable) | | | | |
| NCD programme | Long term | 300.00 | [ICRA]A-(Stable) | - | - | - | - | - | - |
| Commercial paper | Short term | 60.00 | [ICRA] A2+ | Mar 05, 2026 | [ICRA] A2+ | - | - | - | - |

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 |
|---------------------------|----------------------|
| 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 II: 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) |
| INE03K307124 | NCD programme | Mar-10-2026 | 10.75% | Mar-10-2028 | 35.00 | [ICRA]A- (Stable) |
| INE03K307132 | NCD programme | Mar-20-2026 | 10.25% | Mar-20-2028 | 30.00 | [ICRA]A- (Stable) |
| INE03K307140 | NCD programme | Mar-27-2026 | 10.50% | Mar-27-2028 | 25.00 | [ICRA]A- (Stable) |
| INE03K307157 | NCD programme | Apr-28-2026 | 11.75% | Oct-28-2027 | 30.00 | [ICRA]A- (Stable) |
| INE03K307165 | NCD programme | Jun-10-2026 | 10.75% | Jun-10-2028 | 50.00 | [ICRA]A- (Stable) |
| Not issued yet | NCD programme | - | - | - | 355.01 | [ICRA]A- (Stable) |
| Unplaced | Commercial paper | - | - | 7-365 days | 60.00 | [ICRA]A2+ |
| NA | Long-term bank facilities | Sep 2017 to Feb 2026 | NA | NA | 125.00 | [ICRA]A- (Stable) |

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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