November 27, 2026

SMFG India Credit Company Limited: Ratings reaffirmed; withdrawn for matured instruments

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Non-convertible debentures programme	12,009.00	12,009.00	[ICRA]AAA (Stable); reaffirmed	SEBI
Subordinated debt programme	1,200.00	1,200.00	[ICRA]AAA (Stable); reaffirmed	SEBI
Retail non-convertible debentures	2,000.00	2,000.00	[ICRA]AAA (Stable); reaffirmed	SEBI
Long-term fund-based bank lines	40,000.00	40,000.00	[ICRA]AAA (Stable); reaffirmed	RBI
Issuer Rating	NA	NA	[ICRA]AAA (Stable); reaffirmed	$
Commercial paper programme	12,000.00	12,000.00	[ICRA]A1+; reaffirmed	RBI
Short-term debt programme	1,000.00	1,000.00	[ICRA]A1+; reaffirmed	RBI
Non-convertible debentures programme	975.00	0.00	[ICRA]AAA (Stable); reaffirmed and withdrawn	SEBI
Principal protected market linked non-convertible debentures	103.00	0.00	PP-MLD[ICRA]AAA (Stable); reaffirmed and withdrawn	SEBI
Total	**69,287.00**	**68,209.00**		

**Instrument details are provided in Annexure I*

 # 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

$ 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

Rationale

To arrive at the ratings, ICRA has considered the consolidated business and financial profile of SMFG India Credit Company Limited (SMICC) and its wholly-owned subsidiary, SMFG India Home Finance Company Limited (SMHFC), collectively referred to as the SMICC Group, as these entities have significant operational and management linkages and operate under the common SMFG brand. The ratings continue to draw significant strength from the parentage, with Sumitomo Mitsui Financial Group, Inc (SMFG Group; rated A1/Stable by Moody's) holding a 100% stake in SMICC. SMFG Group has a track record of providing need-based equity/debt capital support and has representation on the board of directors. ICRA expects SMFG Group to continue providing support, if necessary, considering the SMICC Group's growth plans.

The ratings continue to factor in the SMICC Group's diverse product mix, high share of the retail loan book, strong liquidity position, diversified funding profile and financial flexibility as it is a part of SMFG Group. The ratings also consider the adequate capitalisation profile (consolidated managed gearing[1] of 5.5 times as on March 31, 2026), which is further supported by the equity infusion of Rs. 1,075 crore in H1 FY2027 and internal accruals as well. ICRA believes that maintaining a prudent capitalisation level is crucial for mitigating delinquencies and other credit risks associated with the lending business.

[1] *Managed gearing = (Total on-book borrowing + lease liabilities + derivative liabilities + Off-book portfolio)/Net worth*

ICRA notes the moderation in the reported asset quality indicators, with consolidated gross stage 3 (GS3) of 2.4% as on March 31, 2026. However, SMICC's asset quality remains vulnerable due to the relatively large proportion of unsecured loans in the consolidated assets under management (AUM; approximately 52% as on March 31, 2026). ICRA notes that the company also has a 100% write-off policy for its unsecured loans at 120 days past due (dpd). The SMICC Group incurred net write-offs of Rs. 2,153 crore in FY2026 (3.4% of its closing gross loan book). Its ability to improve the cost-to-income ratio, manage recoveries, and prevent fresh slippages, thereby controlling credit costs, will have a bearing on its overall earnings profile (3-year average return on managed assets (RoMA[2]) of 0.9% during FY2024-FY2026).

The Stable outlook reflects ICRA's expectation that the SMICC Group will remain strategically important to the parent with support forthcoming as and when required. It also reflects ICRA's expectation that the company will continue to have adequate capital buffers and report good asset quality while maintaining a diverse product and funding mix as well as a strong liquidity profile.

ICRA has withdrawn the rating assigned to the Rs. 975.00-crore non-convertible debenture programme and Rs. 103.00-crore principal protected market linked non-convertible debentures as no amount is outstanding against these instruments. The ratings have been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings.

Key rating drivers and their description

Credit strengths

Strong parentage and strategic importance to SMFG support financial flexibility – SMFG holds a 100% stake in SMICC as on September 30, 2026. The ratings factor in the strong support from SMFG, one of the largest diversified financial groups in Japan. Sumitomo Mitsui Banking Corporation (SMBC), part of SMFG Group and one of the largest banks in Japan, has established its presence in India with its branches focussing on the wholesale segment. It is also the largest shareholder in Yes Bank {rated [ICRA]AA (Stable)}, with a 24.9% stake as on September 30, 2026. SMFG is expected to expand its presence in the domestic retail segment through SMICC. It has a track record of providing need-based equity and debt capital support (the latest equity infusion of Rs. 1,075 crore was concluded in H1 FY2027) and has managerial representation on the board of directors. ICRA expects it to continue providing financial support to help the SMICC Group maintain adequate capitalisation and healthy liquidity.

The SMICC Group maintains a broad lender base with strong on-balance sheet liquidity. The funding mix is fairly diversified across various sources such as bank loans (48% of borrowings as on September 30, 2026), debentures (22%), external commercial borrowings (ECB; 21%), direct assignment (DA)/securitisation (7%) and National Housing Bank (NHB) refinance (2%). The SMICC Group's financial flexibility is further supported by SMFG's vast network in domestic and international markets for raising debt funds, as reflected in the healthy share of ECBs.

Adequate capitalisation profile; maintaining capital buffers in view of growth plans is key – The SMICC Group's capitalisation levels have strengthened, following the latest equity infusion of Rs. 1,075 crore in H1 FY2027, along with internal accruals, which have supported the current scale of operations. The consolidated AUM grew by 15% year-on-year (YoY) to Rs. 65,353 crore as on March 31, 2026 from Rs. 56,993 crore as on March 31, 2025, driven by the growth in the urban and digital finance and housing segments. However, it grew slightly by 4% YoY to Rs. 65,446 crore as on September 30, 2026 owing to the management's calibrated approach. Consequently, the consolidated managed gearing stood at 5.5 times as on March 31, 2026, compared to 5.1 times as on March 31, 2025.

[2] *Total Managed Assets = (Total assets + Impairment allowance on loan book + Off-book portfolio)*

On a standalone basis, SMICC reported a capital-to-risk weighted assets ratio (CRAR) of 21.3% (Tier I ratio of 18.8%) as on September 30, 2026 compared to the regulatory requirement of 15% (Tier I ratio of 10%). ICRA expects capital support from the parent to be forthcoming, as and when needed, to enable it to maintain an adequate capitalisation profile.

Credit challenges

Asset quality challenges exert pressure on earnings profile – A significant portion of SMICC's consolidated AUM comprises unsecured loans (approximately 52% as on March 31, 2026), making the asset quality vulnerable. The SMICC Group's consolidated asset quality indicators weakened with GS3 increasing to 2.4% as on March 31, 2026 from 1.9% as on March 31, 2025 on account of stress in certain segments. ICRA notes that SMICC also has a 100% write-off policy for its unsecured loans at 120 dpd. It incurred net write-offs of Rs. 2,153 crore in FY2026 (3.4% of its closing gross loan book), compared to Rs. 1,981 crore and 3.6%, respectively, in FY2025. Although the SMICC Group's solvency indicator (net stage 3/net worth) moderated to 7.3% as on March 31, 2026 from 5.2% as on March 31, 2025, it shall remain monitorable in view of asset quality challenges. The SMICC Group's ability to arrest fresh slippages while maintaining business volumes would have a bearing on its overall financial profile and would be a key monitorable.

The SMICC Group's net interest margin (NIM[3]) rose to 10.6% in FY2026 from 10.0% in FY2025 because of portfolio growth, which was driven by the high-yielding unsecured segments, and the decrease in the weighted average cost of funds following the reduction in systemic rates. However, sizeable write-offs led to a rise in credit costs to 3.5% of average managed assets (AMA) in FY2026 from 2.9% in FY2025. The 3-year average credit costs during FY2024-FY2026 stood at 3.1%. Additionally, operating expenses were stable at 6.7% in FY2026 as well as FY2025. Consequently, RoMA was steady at 0.7% in FY2026 (0.7% in FY2025).

On a standalone basis, SMICC and SMHFC reported a profit after tax (PAT) of Rs. 307 crore and Rs. 53 crore, respectively, in H1 FY2027 compared with Rs. 354 crore and Rs. 126 crore, respectively, in FY2026. Going forward, the SMICC Group's ability to grow its loan book while improving its profitability profile through controlled slippages and disciplined expense management will remain a key rating monitorable.

Liquidity position: Strong

SMICC's liquidity profile remains strong at the consolidated level. The SMICC Group's cash flow from short-term assets augurs well for its liquidity profile. As on September 30, 2026, the combined (SMICC+SMHFC) debt obligations over the next six months stood at Rs. 9,083 crore against which the combined expected inflows from advances stood at Rs. 13,427 crore. Additionally, the liquidity profile is supported by combined cash and liquid investments of Rs. 7,426 crore and combined unutilised bank lines of Rs. 6,945 crore as on September 30, 2026. The SMICC Group enjoys healthy financial flexibility for mobilising funds through diverse sources on the back of its strong parentage.

Rating sensitivities

Positive factors – Not applicable

Negative factors – The ratings could be downgraded on a material change in the expected level of support or a significant deterioration in the credit risk profile of SMFG. The ratings could also face pressure on a major deterioration in the asset quality or on a substantial increase in its managed gearing levels on a sustained basis.

[3] *NIM = (Net interest income + securitisation gains) / Average managed assets*

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	ICRA's credit rating methodology for non-banking finance companies Policy on withdrawal of credit ratings
Parent/Group support	Parent/Investor: Sumitomo Mitsui Financial Group, Inc ICRA factors in the shared brand name and support that the SMICC Group will receive from SMFG as it acts as its retail entry in India. The SMICC Group enjoys strong financial and operational support from SMFG, which, in the past, has included access to capital, debt support and supervision.
Consolidation/Standalone	Consolidation; details are mentioned in Annexure II

About the company

SMFG India Credit Company Limited (SMICC) commenced operations in January 2006, catering primarily to self-employed borrowers. It is wholly owned by Sumitomo Mitsui Financial Group, Inc (SMFG). SMICC's secured lending portfolio consists of mortgage loans to retail customers and small and medium enterprises (SMEs), commercial vehicle (CV) loans and secured rural loans such as two-wheeler loans, CV and mortgage loans. The unsecured portfolio comprises personal loans to salaried and self-employed individuals and group and individual loans in the rural space.

As on September 30, 2026, the company was fully held by SMFG. SMFG had acquired a 74.9% stake in November 2021 and the balance from Angelica Investments Pte. Ltd. in March 2024.

SMFG is the holding company of one of the largest global banking and financial services groups, offering a diverse range of financial services, including commercial banking, leasing, securities and consumer finance. As on September 30, 2026, SMFG's total assets stood at Rs. 200 trillion with a net profit of Rs. 854 billion in H1 FY2027 compared to total assets of ~Rs. 195 trillion as on March 31, 2026 with a net profit of ~Rs. 1,365 billion in FY2026. SMFG has a legacy spanning four centuries in Japan.

Key financial indicators

	SMICC (standalone)			SMICC (consolidated)	
	FY2025	FY2026	H1 FY2027	FY2025	FY2026
	Audited	Audited	Unaudited	Audited	Audited
Total income	8,869	10,814	5,769	10,148	12,353
Profit after tax	344	354	307	442	501
Total managed assets	56,141	64,324	66,506	67,796	76,990
Return on average managed assets	0.7%	0.6%	0.9%	0.7%	0.7%
Managed gearing (times)	4.1	4.5	4.0	5.1	5.5
Gross Stage 3	1.9%	2.3%	2.5%	1.9%	2.4%
CRAR*	22.4%	19.4%	21.3%	NA	NA

Source: Company, ICRA Research; Amount in Rs. crore; All ratios as per ICRA's nomenclature/definitions/calculations; Total managed assets = (Total assets on balance sheet + impairment allowance on loans + off-book portfolio)

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	November 27, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Non-convertible Debenture	Long-term	2000.00	[ICRA]AAA (Stable)	June 13, 2025	[ICRA]AAA (Stable)	June 13, 2024	[ICRA]AAA (Stable)	June 13, 2023	[ICRA]AAA (Stable)
				November 27, 2025	[ICRA]AAA (Stable)	-	-	-	-
Non-convertible Debenture	Long-term	10000.00	[ICRA]AAA (Stable)	November 27, 2025	[ICRA]AAA (Stable)	-	-	-	-
Non-convertible Debenture	Long-term	2009.00	[ICRA]AAA (Stable)	June 13, 2025	[ICRA]AAA (Stable)	June 13, 2024	[ICRA]AAA (Stable)	June 13, 2023	[ICRA]AAA (Stable)
				June 13, 2025	[ICRA]AAA (Stable)	-	-	-	-
				June 13, 2025	[ICRA]AAA (Stable)	-	-	-	-
				November 27, 2025	[ICRA]AAA (Stable)	-	-	-	-
Issuer rating	Long-term	-	[ICRA]AAA (Stable)	June 13, 2025	[ICRA]AAA (Stable)	June 13, 2024	[ICRA]AAA (Stable)	June 13, 2023	[ICRA]AAA (Stable)
				November 27, 2025	[ICRA]AAA (Stable)	August 06, 2024	[ICRA]AAA (Stable)	-	-
Subordinated Bonds/Debt	Long-term	200.00	[ICRA]AAA (Stable)	November 27, 2025	[ICRA]AAA (Stable)	-	-	-	-
Subordinated Bonds/Debt	Long-term	1000.00	[ICRA]AAA (Stable)	June 13, 2025	[ICRA]AAA (Stable)	June 13, 2024	[ICRA]AAA (Stable)	June 13, 2023	[ICRA]AAA (Stable)
				November 27, 2025	[ICRA]AAA (Stable)	August 06, 2024	[ICRA]AAA (Stable)	-	-
Market Linked Debenture	Long-term	0.00	PP-MLD [ICRA]AAA (Stable); Withdrawn	June 13, 2025	PP-MLD [ICRA]AAA (Stable)	June 13, 2024	PP-MLD [ICRA]AAA (Stable)	June 13, 2023	PP-MLD [ICRA]AAA (Stable)

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	November 27, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
				November 27, 2025	PP-MLD [ICRA]AAA (Stable)	August 06, 2024	PP-MLD [ICRA]AAA (Stable)	-	-
Short-term debt/NCD	Short-term	1000.00	[ICRA]A1+	June 13, 2025	[ICRA]A1+	June 13, 2024	[ICRA]A1+	June 13, 2023	[ICRA]A1+
				November 27, 2025	[ICRA]A1+	August 06, 2024	[ICRA]A1+	-	-
Fund-based - Others	Long-term	40000.00	[ICRA]AAA (Stable)	June 13, 2025	[ICRA]AAA (Stable)	August 06, 2024	[ICRA]AAA (Stable)	-	-
				November 27, 2025	[ICRA]AAA (Stable)	-	-	-	-
Commercial Paper	Short-term	12000.00	[ICRA]A1+	June 13, 2025	[ICRA]A1+	June 13, 2024	[ICRA]A1+	June 13, 2023	[ICRA]A1+
				November 27, 2025	[ICRA]A1+	August 06, 2024	[ICRA]A1+	-	-

Source: ICRA Research

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer rating	Not applicable
Long-term fund-based bank Lines	Simple
Non-convertible debentures	Simple
Commercial paper programme	Simple
Short-term debt programme	Simple
Subordinated debt programme	Simple
Retail non-convertible debentures	Simple
Principal protected market linked debentures	Complex

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/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook	Financial sector regulator#
INE535H07BS9	**Non-convertible debenture**	Nov-15-2022	8.30%	Nov-15-2032	75.00	[ICRA]AAA (Stable)	SEBI
INE535H07BS9	**Non-convertible debenture**	Mar-6-2023	8.30%	Nov-15-2032	50.00	[ICRA]AAA (Stable)	SEBI
INE535H07CH0	**Non-convertible debenture**	Jun-03-2024	8.28%	Mar-12-2027	525.00	[ICRA]AAA (Stable)	SEBI
INE535H07CJ6	**Non-convertible debenture**	Aug-05-2024	8.30%	Jun-30-2027	875.00	[ICRA]AAA (Stable)	SEBI
INE535H07CL2	**Non-convertible debenture**	Sep-24-2024	8.15%	Sep-24-2027	100.00	[ICRA]AAA (Stable)	SEBI
NA	**Non-convertible debenture***	-	-	-	10,384.00	[ICRA]AAA (Stable)	SEBI
INE535H08751	**Subordinated debt**	Jun-25-2021	7.70%	Jun-25-2031	150.00	[ICRA]AAA (Stable)	SEBI
INE535H08769	**Subordinated debt**	Aug-12-2021	7.60%	Aug-12-2031	100.00	[ICRA]AAA (Stable)	SEBI
INE535H08777	**Subordinated debt**	Oct-1-2021	7.60%	Oct-1-2031	50.00	[ICRA]AAA (Stable)	SEBI
INE535H08793	**Subordinated debt**	Dec-23-2022	8.40%	Dec-23-2032	50.00	[ICRA]AAA (Stable)	SEBI
INE535H08793	**Subordinated debt**	Mar-29-2023	8.40%	Dec-23-2032	100.00	[ICRA]AAA (Stable)	SEBI
NA	**Subordinated debt***	-	-	-	750.00	[ICRA]AAA (Stable)	SEBI
NA	**Long-term bank lines**	2018-2019	-	2028-2029	25,682.46	[ICRA]AAA (Stable)	RBI
NA	**Long-term bank lines***	-	-	-	14,317.54	[ICRA]AAA (Stable)	RBI
NA	**Issuer Rating**	NA	NA	NA	NA	[ICRA]AAA (Stable)	$
NA	**Retail non-convertible debenture programme***	-	-	-	2,000	[ICRA]AAA (Stable)	SEBI
NA	**Short-term debt programme***	-	-	7-365 days	1,000	[ICRA]A1+	RBI
INE535H07BT7	**Principal protected market linked non-convertible debentures**	Dec-16-2022	G-Sec linked	Dec-16-2025	103	PP-MLD[ICRA]AAA (Stable); withdrawn	SEBI
INE535H07CK4	**Non-convertible debenture**	Aug-05-2024	8.28%	Aug-5-2026	825	[ICRA]AAA (Stable); withdrawn	SEBI
INE535H07CM0	**Non-convertible debenture**	Sep-24-2024	8.15%	Sep-24-2026	150	[ICRA]AAA (Stable); withdrawn	SEBI
NA	**Commercial paper programme***	-	-	7-365 days	12,000	[ICRA]A1+	RBI

*Source: Company; ^ As on October 31, 2026; *Unutilised*

 # 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

$ 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

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
SMFG India Credit Company Limited	Holding company	Full consolidation
SMFG India Home Finance Company Limited	100%	Full consolidation

Source: Company

ANALYST CONTACTS

Ashish Modani
+91 22 6169 3300
ashish.modani@icraindia.com

Sachin Sachdeva
+91 124 4545 307
sachin.sachdeva@icraindia.com

Rajat Kher
+91 124 4545 833
rajat.kher@icraindia.com

Shivam Nichat
+91 22 6114 3448
shivam.nichat@icraindia.com

Atharva Pednekar
+91 22 6114 3438
atharva.pednekar@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

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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.

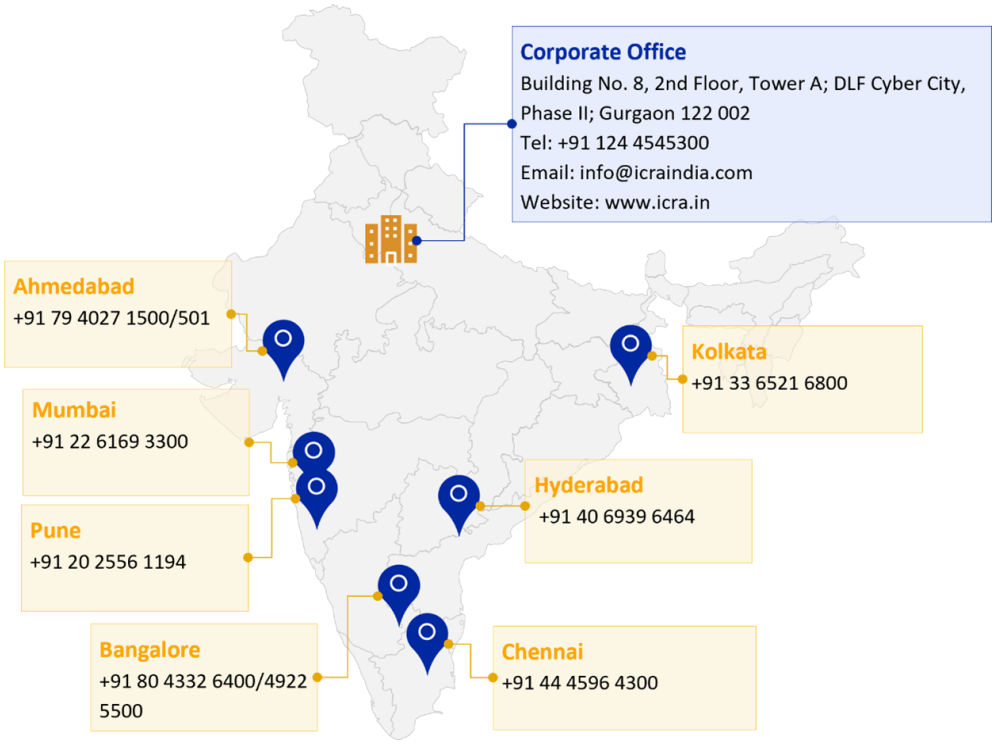
For more information, visit www.icra.in

ICRA Limited

Registered Office

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

Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.