**August 06, 2026**

# Satin Finserv Limited: [ICRA]A- (Stable) assigned for Rs. 300 crore NCD programme; ratings reaffirmed and rating simultaneously withdrawn for matured instruments

## Summary of rating action

| Instrument* | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action | Financial sector regulator# |
|---|---|---|---|---|
| **LT bank facilities programme – Others** | 125.00 | 125.00 | [ICRA]A- (Stable); reaffirmed | RBI |
| **NCD programme** | 775.00 | 775.00 | [ICRA]A- (Stable); reaffirmed | SEBI |
| **NCD programme** | 25.00 | 00.00 | [ICRA]A- (Stable); reaffirmed and withdrawn | SEBI |
| **NCD programme** | - | 300.00 | [ICRA]A- (Stable); assigned | SEBI |
| **Commercial paper** | 60.00 | 60.00 | [ICRA]A2+; reaffirmed | RBI |
| **Total** | **985.00** | **1,260.00** | | |

**Instrument details are provided in Annexure I; NCD – Non-convertible debenture; LT – Long term; RBI – Reserve Bank of India*

*# The Securities and Exchange Board of India's (SEBI) grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments that fall under the regulatory purview of financial sector regulators (FSRs) other than SEBI*

## 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 27.1% and a managed gearing of 3.5 times as on June 30, 2026. The capitalisation profile remains supported by timely equity infusions, including the recent infusions of Rs. 50 crore and Rs. 70 crore from SCNL in May 2026 and July 2026, respectively (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. 1,360 crore as on June 30, 2026 against Rs. 1,054 crore as on March 31, 2026 (Rs. 547 crore as on March 31, 2025). SFL reported high AUM growth of ~93% in FY2026 and ~134% YoY[1] in Q1 FY2027, with the rapid expansion of the newly launched vertical – Sustainable & Emerging Businesses (SEB) – from H2 FY2026. Under this vertical, the company is offering relatively higher-ticket loans (Rs. 1-20 crore) with a focus on sustainable financing. The share of this vertical in SFL's AUM increased to 48% as on June 30, 2026 (39% as on March 31, 2026) from 7% as on March 31, 2025, comprising ~90 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 June 30, 2026, its funding profile comprised loans from non-convertible debentures (NCDs; ~41%), non-banking financial companies (NBFCs; ~23%), pass through certificates (PTCs; ~11%), direct assignment (DA) book (~9%), loans from banks (~8%), loans from SCNL (~5%) and external commercial borrowings (ECB; ~3%).

[1] *Year-on-year*

SFL reported gross non-performing assets (GNPAs) of 3.5% as of June 2026 (3.8% as of March 2026, 4.8% as of March 2025). While the reported asset quality ratios declined in FY2026 and Q1 FY2027, 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 7.1%, respectively, as on June 30, 2026 (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.

ICRA has reaffirmed and simultaneously withdrawn the rating assigned to the Rs. 25.00-crore NCD programme as no amount is outstanding against the same. The rating has been withdrawn 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 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** – SFL 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, the company 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 27.1% as on June 30, 2026 (29.6% as on March 31, 2026). The managed gearing stood at 3.5 times as on June 30, 2026 (3.1 times as on March 31, 2026 and 2.4 times as on March 31, 2025). The capitalisation profile remains supported by timely equity infusions, including the recent infusions of Rs. 50 crore and Rs. 70 crore from SCNL in May 2026 and July 2026, respectively (Rs. 90 crore raised from SCNL in FY2026). ICRA expects SFL to remain adequately capitalised and to continue receiving support from the parent as it scales up its operations.

### Credit challenges

**Moderate scale of operations** – Operating since March 2019, SFL's scale remains moderate with AUM of Rs. 1,360 crore as on June 30, 2026 (Rs. 1,054 crore as on March 31, 2026 and Rs. 547 crore as on March 31, 2025). AUM growth was higher at 93% in FY2026 and 134% YoY in Q1 FY2027 as disbursements picked up in the newly launched vertical (SEB) from H2 FY2026. The share of this vertical in the company's AUM increased to 48% as on June 30, 2026 (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 GNPAs of 3.5% as on June 30, 2026 (3.8% as on March 31, 2026; 4.8% as of March 2025; 4.3% as on March 31, 2024). While the reported asset quality ratios improved in FY2026 and further in Q1 FY2027, supported by high AUM growth, delinquencies have increased in the retail vertical. 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 26% of AUM and 101% of net worth as on June 30, 2026. These SEB borrowers have a 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, though it declined to 1.6% in Q1 FY2027 with the increase in the base. Operational expenses also remained high at 6.9% of AMA in Q1 FY2027 (7.4% in FY2026). Further, SFL reported a profit after tax (PAT) of Rs. 4.9 crore in Q1 FY2027, translating into an annualised return of 1.4% on AMA (RoMA) and 6.2% on average net worth (Rs. 10.5 crore, 1.1% and 4.4%, respectively, in FY2026; Rs. 7.5 crore, 1.1% and 4.0%, respectively, in FY2025). 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. 158 crore as on June 30, 2026. As per its asset-liability management statement, the company had scheduled collections (principal) of ~Rs. 250 crore against scheduled debt repayments (principal) of Rs. 216 crore during July-December 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<br>Policy on Withdrawal of Credit Ratings |
| **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 June 30, 2026 and reported an AUM of Rs. 1,360 crore. On a standalone basis, it reported a net profit of Rs. 4.9 crore in Q1 FY2027 compared to Rs. 10.5 crore in FY2026.

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 | FY2025 | FY2026 | Q1 FY2027 |
|---|---|---|---|
| **Total income** | 123 | 177 | 65 |
| **Profit after tax** | 8 | 11 | 5 |
| **Total managed assets** | 674 | 1,224 | 1,581 |
| **Return on managed assets** | 1.1% | 1.1% | 1.4% |
| **Managed gearing** | 2.4x | 3.1x | 3.5x |
| **Gross NPA** | 4.8% | 3.8% | 3.5% |
| **CRAR** | 37.6% | 29.6% | 27.1% |

*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) | Aug 06, 2026 | Date | Rating | FY2026 | | FY2025 | | FY2024 | |
| | | | | | | Date | Rating | Date | Rating | Date | Rating |
| **Bank facilities** | Long term | 125.00 | [ICRA]A- (Stable) | Jun 23, 2026 | [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 | 475.00 | [ICRA]A- (Stable) | Jun 23, 2026 | [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 | 25.00 | [ICRA]A- (Stable); withdrawn | Jun 23, 2026 | [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) | Jun 23, 2026 | [ICRA]A- (Stable) | - | - | - | - | - | - |
| **NCD programme** | Long term | 300.00 | [ICRA]A- (Stable) | - | - | - | - | - | - | - | - |
| **Commercial paper** | Short term | 60.00 | [ICRA] A2+ | Jun 23, 2026 | [ICRA] A2+ | Mar 05, 2026 | [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 | Financial sector regulator# |
|---|---|---|---|---|---|---|---|
| **INE03K307033** | **NCD programme** | Jun-28-2024 | 10.85% | Jun-28-2026 | 25.00 | [ICRA]A- (Stable); withdrawn | SEBI |
| **INE03K307058** | **NCD programme** | Sep-20-2024 | 10.80% | Sep-20-2026 | 25.00 | [ICRA]A- (Stable) | SEBI |
| **INE03K307041** | **NCD programme** | Aug-30-2024 | 10.80% | Aug-30-2026 | 19.99 | [ICRA]A- (Stable) | SEBI |
| **INE03K307066** | **NCD programme** | Sep-10-2025 | 10.95% | Mar-10-2027 | 30.00 | [ICRA]A- (Stable) | SEBI |
| **INE03K307074** | **NCD programme** | Sep-29-2025 | 10.95% | Sep-29-2027 | 30.00 | [ICRA]A- (Stable) | SEBI |
| **INE03K307090** | **NCD programme** | Jan-07-2026 | 10.85% | Jul-07-2027 | 40.00 | [ICRA]A- (Stable) | SEBI |
| **INE03K307082** | **NCD programme** | Dec-30-2025 | 10.95% | Jun-30-2027 | 25.00 | [ICRA]A- (Stable) | SEBI |
| **INE03K307108** | **NCD programme** | Feb-06-2026 | 10.75% | Feb-06-2028 | 50.00 | [ICRA]A- (Stable) | SEBI |
| **INE03K307116** | **NCD programme** | Feb-26-2026 | 10.75% | Feb-26-2028 | 30.00 | [ICRA]A- (Stable) | SEBI |
| **INE03K307124** | **NCD programme** | Mar-10-2026 | 10.75% | Mar-10-2028 | 35.00 | [ICRA]A- (Stable) | SEBI |
| **INE03K307140** | **NCD programme** | Mar-27-2026 | 10.50% | Mar-27-2028 | 25.00 | [ICRA]A- (Stable) | SEBI |
| **INE03K307165** | **NCD programme** | Jun-10-2026 | 10.75% | Jun-10-2028 | 50.00 | [ICRA]A- (Stable) | SEBI |
| **INE03K307157** | **NCD programme** | Apr-28-2026 | 11.75% | Oct-28-2027 | 80.00 | [ICRA]A- (Stable) | SEBI |
| **INE03K307132** | **NCD programme** | Mar-20-2026 | 10.25% | Mar-20-2028 | 70.00 | [ICRA]A- (Stable) | SEBI |
| **INE03K307173** | **NCD programme** | July-23-2026 | 10.90% | Apr-26-2028 | 75.00 | [ICRA]A- (Stable) | SEBI |
| **INE03K307181** | **NCD programme** | July-29-2026 | 10.90% | Jun-29-2028 | 85.00 | [ICRA]A- (Stable) | SEBI |
| **Yet to be placed** | **NCD programme** | - | - | - | 405.01 | [ICRA]A- (Stable) | SEBI |
| **Unplaced** | **Commercial paper** | - | - | 7-365 days | 60.00 | [ICRA]A2+ | RBI |
| **NA** | **Long-term bank facilities** | Sep 2017 to Feb 2026 | NA | NA | 125.00 | [ICRA]A- (Stable) | RBI |

*Source: Company; # The Securities and Exchange Board of India's (SEBI) grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments that fall under the regulatory purview of financial sector regulators (FSRs) other than SEBI*

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

### Annexure II: List of entities considered for consolidated analysis

Not applicable

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## 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.

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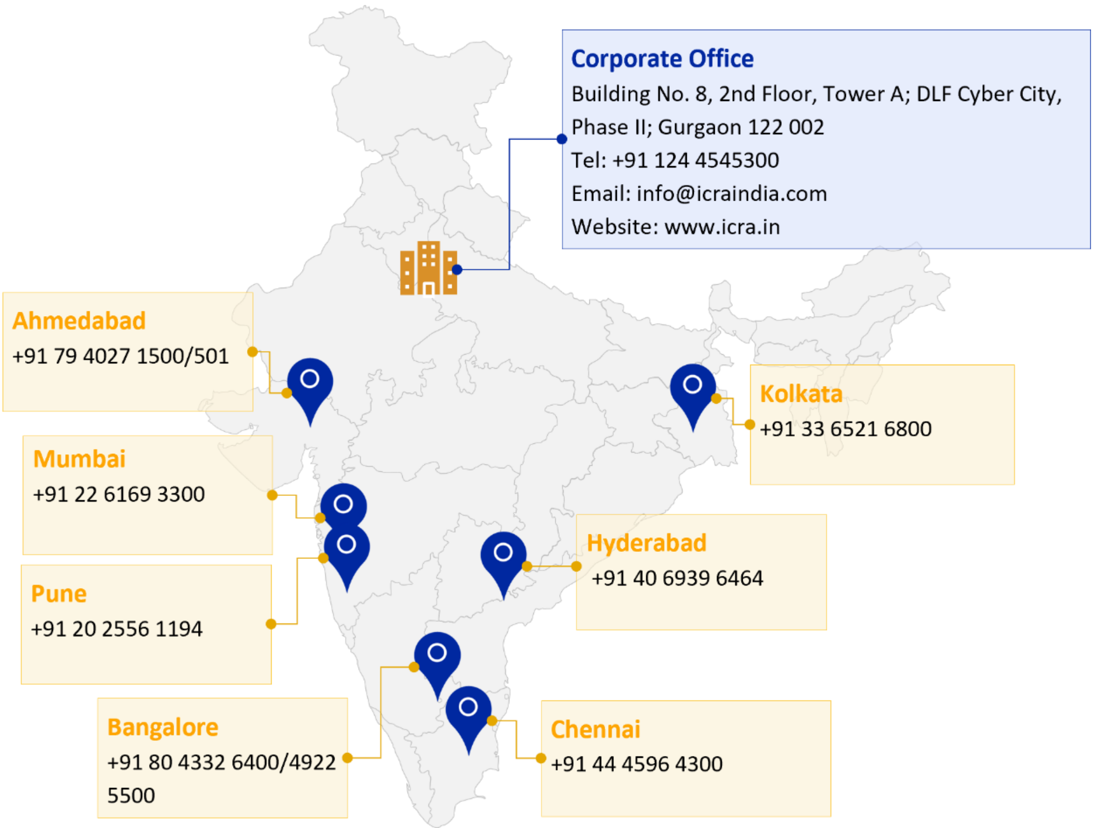




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