



Press Release

Satin Creditcare Network Limited

July 01, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Proposed Non-Convertible Debentures (NCDs)	750.00	IVR A/Stable (IVR Single A with stable outlook)	-	Rating assigned	Simple
Total	750.00 (Rupees Seven Hundred and Fifty crore only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has assigned its rating to the Proposed Non-Convertible Debentures (NCDs) of Satin Creditcare Limited (SCNL) as it derives comfort from established track record of, comfortable capitalisation, consistent growth in AUM levels albeit moderation in profitability and diversified resource profile. However, the ratings are constrained by average asset quality and exposure to regulatory & socio-political risks inherent in the Micro-finance industry.

The Stable Outlook reflects Infomerics expectations of stable AUM growth over the medium term along with SCNL's capital raising ability and its ability to maintain steady profit growth despite headwinds in the MFI segment.

Key Rating Sensitivities:

Upward Factors

- Substantial and sustained growth in consolidated AUM while maintaining healthy capitalisation, profitability and asset quality.

Downward Factors

- Substantial decline in consolidated AUM, deterioration in asset quality from the current levels impacting the profitability of the company.
- Deterioration in capitalisation levels below the regulatory requirements.



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Comfortable capitalisation

SCNL as a group has maintained comfortable capitalisation levels despite the growing AUM given the consistent capital infusion by the promoters coupled with retention of profits. The last capital infusion was in FY24, where the company had raised Rs 338crore through QIP. Total CRAR of SCNL on a standalone basis stood at 25.85% in FY25 with TNW of Rs 2,843.22 crore and overall gearing of 2.74X.

Given the consistent capital infusion by SCNL in its subsidiaries, both SHFL and SFL have also maintained comfortable capitalisation levels which stood at 52.20% and 37.60% respectively for FY25. On a consolidated basis, SCNLs TNW stood at Rs 2,508.68 crore with overall gearing of 3.50x for FY25.

Consistent growth in AUM levels with moderation in profitability

SCNLs AUM, both on standalone and consolidated basis has consistently grown in the past few years on the back of established presence across PAN India. Consolidated AUM grew by ~8% in FY25 (refers for the period 1 April 2024 to 31 March 2025) and stood at Rs 12,784.00 (Rs 11,850 crore in FY24). Despite the headwinds faced by the MFI Industry, SCNLs AUM on a standalone basis grew by ~7% and stood at Rs 11,316.00 crore at the end of FY25 (Rs 10,593.00 crore in FY24). AUM of both its subsidiaries, SHFL and SFL stood at Rs 920.00 crore and Rs 548.0 crore respectively for FY25. (Rs 756.00 crore and Rs 501.00 crore respectively in FY24).

Given the collection efficiency issues faced by the MFI industry, SCNLs credit cost remained elevated at 4.6%. Due to which the company had to provide higher provisions which stood at Rs 503.00 crore for FY25 when compared to Rs 133.00 crore in FY24. This has impacted the profitability with SCNL reporting standalone PAT of Rs 217.00 crore for FY25 when compared to Rs 423.00 crore for FY24. On a consolidated basis, SCNL reported PAT of Rs 186.00 crore for FY25 when compared to Rs 436.00 crore in FY24. Consolidated NIM marginally declined to 12.60% in FY25 from 12.80% in FY24.



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Diversified resource profile

SCNL has a diversified resource profile with term loans and PTCs contributing to 48.60% of total funding, followed by direct assignment which contributed to 22.50% of total funding, NCDs contributing to 17.50%, ECBs contributing to 10.90% and 0.60% contributed by commercial paper. Given the established track record of the group, Infomerics expects the resource profile to be diversified.

Established track record with diversified presence

SCNL as a group has an established track record of more than three decades in lending industry. As a group, they have diversified presence in MFI sector through SCNL, Affordable housing segment through its wholly owned subsidiary, Satin Housing Finance Ltd (SHFL, mentioned ratings) and in MSME sector through its wholly owned subsidiary, Satin Finserv Limited (SFL). The group also has diversified geographical presence across 29 states and union territories operating through 1,568 branches as on 31 March 2025

Key Rating Weaknesses

Average asset quality

SCNLs asset quality remained average given the high exposure to MFI segment which contributes to ~87% of consolidated AUM. Given the recent headwinds faced by the MFI industry in FY25, the asset quality of SCNL on a standalone basis deteriorated with GNPA increasing to 3.70% in FY25 from 2.49% in FY24. Given the high provision coverage ratio which stood at 89.20%, NNPA has reduced to 0.40% in FY25 from 0.99% in FY24. SHFL and SFL have reported GNPA of 2.80% and 4.80% respectively for FY25.

Infomerics expects that the asset quality will continue to be under pressure given its high exposure to MFI industry which remains vulnerable to external environment and socio-political issues.



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Exposure to regulatory & socio-political risks inherent in the industry

MFI industry is highly prone to regulatory risks & socio-political risks mainly on account of its unique collateral free debt nature. Earlier events like demonetization, COVID and environmental changes have largely affected the industry and recently the general elections and other external factors, where the collection efficiencies of the MFI's were severely impacted. However, given the market potential due to demand of micro loans in rural segments, Infomerics expects revival of the MFI sector in due course.

Analytical Approach: Consolidated

Infomerics has consolidated the business and financial risk profiles of Satin Creditcare Network Limited (Parent Company) and its wholly owned subsidiaries Satin Housing Finance Limited, Satin Finserv Limited and Satin Technologies Limited. This consolidation is in the view of the common promoters, shared brand name and strong financial and operation synergies.

Applicable Criteria:

[Rating Methodology for Financial Institutions/Non-Banking Finance companies](#)

[Policy on Default Recognition and Post – Default Curing Period](#)

[Criteria of assigning Rating Outlook](#)

[Complexity level of rated instruments/Facilities](#)

[Financial Ratios & Interpretation \(Financial Sector\)](#)

[Criteria on consolidation of companies](#)

Liquidity – Strong

On a consolidated basis, SCNL has strong liquidity of Rs 1,375 crore in the form of cash and bank balances and TNW of Rs 2,508.68 crore. SCNL also has adequately matched ALM profile with positive mismatches across various buckets. Also, given, the promoters track record and ability to raise capital provides additional liquidity comfort.



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About the Company:

Incorporated in 1990, SCNL started its operations by offering individual loans, In 1996, SCNL got listed making it one of the oldest listed entities in MFI sector on regional stock exchanges, including Delhi, Ludhiana, and Jaipur. By 1998, the Reserve Bank of India recognized SCNL as an NBFC, and in 2013, it achieved NBFC-MFI status.

By 2016, the company expanded into secured asset classes with the incorporation of Satin Housing Finance Limited (rated at IVR A-/Stable) for affordable housing and Satin Finserv Limited for MSME lending.

Financials (Standalone):

For the year ended* / As on	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Income	2,050.65	2,376.76
PAT	422.84	216.56
Tangible Net worth	2,666.93	2,843.22
AUM	10,593.00	11,316.00
Ratios		
NIM (%)	13.43	14.00
ROTA (%)	4.79	2.07
Interest Coverage (times)	1.68	1.25
Total CRAR (%)	27.66	25.85
Gross NPA [Stage III] (%)	2.49%	3.70%
Net NPA [Stage III] (%)	0.99%	0.40%

* Classification as per Infomerics' standards

Financials (Consolidated):

For the year ended* / As on	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Income	2,240.53	2,601.91
PAT	435.94	186.13
Tangible Net worth	2,366.24	2,508.68
AUM	11,850.00	12,784.00
Ratios		
NIM (%)	12.87	13.38
ROTA (%)	4.89	1.72



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For the year ended* / As on	31-03-2024	31-03-2025
Interest Coverage (times)	1.65	1.22

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					-	-	-
1.	Proposed NCDs	Long Term	750.00	IVR A/Stable	-	-	-

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.



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Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Listing status	Rating Assigned/ Outlook
Proposed NCDs	-	-	-	-	750.00	Proposed to be listed	IVR A/Stable

Annexure 2: Facility wise lender details: Not Applicable.

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Draft term sheet for Proposed NCD issue of Rs 750.00 crore

Issuer / Company	SATIN CREDITCARE NETWORK LIMITED
Type of instrument	Non-convertible debentures
Nature of instrument	Rated Unsubordinated Secured Listed Transferable Redeemable Non-convertible debentures
Ranking	Unsubordinated



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Listing requirements	Listed
Issue size	Up to Rs 750.00 crore
Tenor	TBD
Face value	INR. 1,00,000 /- (Indian Rupees One Lakhs only)
Objects of the issue	With a view to raising debt for (i) for general corporate purposes of the Issuer; and (ii) for utilisation in the ordinary course of business of the Issuer including for repayment or refinancing of existing Financial Indebtedness of the Issuer.
Final Redemption Date	TBD
Put Option	Not applicable.
Step-up Coupon	<p>(a) If the rating of the Debentures is downgraded below "A" (the "Rating"), the Coupon Rate shall be increased by 0.50% (zero decimal five percent) for each downgrade of 1 (one) notch from the Rating ("Step Up Rate"), and such increased Coupon Rate shall be applicable on the Outstanding Principal Amounts with effect from the date of such downgrade. Step Up, in accordance with this sub-paragraph (i) shall not require any notice, intimation or action on behalf of the Debenture Trustee or the Debenture Holders.</p> <p>(b) Following the Step Up until the rating of the Debentures is restored to the Rating, if the rating of the Debentures is upgraded, the prevailing Step Up Rate shall be decreased by 0.5% (zero decimal five percent) for each upgrade of 1 (one) notch from the rating of the Debentures (until the rating of the Debentures is restored to the Rating) and such decreased rate of interest shall be applicable on the Outstanding Principal Amounts with effect from the date of such upgrade.</p> <p>PROVIDED THAT the decreased rate of interest in accordance with this sub-paragraph (ii) cannot, in any case, be lower than the Coupon Rate. The decrease in the rate of interest in accordance with this sub-paragraph (ii) shall not require any notice, intimation or</p>



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	<p>action on behalf of the Debenture Trustee or the Debenture Holders.</p> <p>(c) It is clarified that, if following the Step Up, the rating of the Debentures is restored to the Rating, then the interest shall be payable at the Coupon Rate, from the date that the rating of the Debentures is restored to the Rating.</p>
Default interest	<ul style="list-style-type: none">• If, at any time, a Payment Default occurs, the Issuer agrees to pay additional coupon the rate of 2% (Two Percent) p.a. over and above the applicable Coupon Rate on all amounts outstanding NCDs (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a Payment Default until such Payment Default is cured or the Debentures are fully redeemed.• If, at any time, a breach of any terms, covenant, obligation, representation or warranty of the Issuer and any other obligations of the Issuer under the Transaction Documents, the Issuer agrees to pay additional coupon at the rate of 2% (Two Percent) p.a. over and above the applicable Coupon Rate on all amounts outstanding (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a breach, until the Debentures are fully redeemed or till the covenants criteria has been replenished.

Annexure 4: List of companies considered for consolidated analysis:

Name of entities being consolidated	Extent of Consolidation	Rationale for Consolidation
Satin Creditcare Network Limited	Full	Parent Company
Satin Housing Finance Limited	Full	Subsidiary
Satin Finserv Limited	Full	Subsidiary
Satin Technologies Limited	Full	Subsidiary

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.