India Ratings Upgrades Si Creva Capital Services' Debt Instruments to 'IND A'/Stable; Affirms CPs at 'IND A1'

Nov 12, 2026 | Si Creva Capital Services Private Limited | Financial Technology (Fintech)

India Ratings and Research (Ind-Ra) has taken the following rating actions on Si Creva Capital Services Private Limited's (Si Creva) debt instruments:

Details of Instruments

Instrument Type	Regulator of Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (INR million)	Rating Assigned with Outlook/Watch	Rating Action
Non-convertible debentures*	Refer ISIN annexure	-	-	-	10,000	IND A/Stable	Upgraded
Bank loan facilities	RBI	-	-	-	6,500	IND A/Stable	Upgraded
Commercial paper	RBI	-	-	Up to 365 days	2,500	IND A1	Affirmed

*Details in annexure

Analytical Approach

Ind-Ra continues to take a fully consolidated view of Si Creva and its 100% parent, OnEMI Technology Solutions Ltd (OTSL), to arrive at the ratings.

Detailed Rationale of the Rating Action

The upgrade reflects Si Creva's ongoing franchise expansion, supported by its technology-driven model and strengthening profitability cushions through operating leverage over FY25 to 1HFY27. Ind-Ra anticipates that as the scale continues to rise, operating leverage will further materialise alongside other growth levers, with an improvement in the near-term profitability. The company has demonstrated its ability to raise significant amount of equity capital (incl. through Initial Public Offer) in recent years, which is also critical to sustain growth, franchise scale-up, and to absorb any asset quality shocks. The company's cost of funds is reduced from earlier years as borrowings in 1HFY27 are raised at incrementally lower rates with diversification in terms of lender profile and debt instruments.

The ratings are constrained by the moderate asset quality and elevated credit costs, albeit reducing, which are key monitorables.

List of Key Rating Drivers

Strengths

- Continued strengthening in franchise scale, aided by technology-based model
- Adequately capitalised, facilitating headroom for growth with low leverage
- Comfortable profitability with sustained improvement
- Developing funding profile with increasing lender base

Weaknesses

- Moderate asset quality
- Regulatory risks

Detailed Description of Key Rating Drivers

Continued Strengthening in Franchise Scale, Aided by Technology-based Model: OTSL operates a fully integrated digital platform, Kissht, offering unsecured personal loans (up to five years), which constituted around 92% of the Assets Under Management as at 1HFY27, to salaried and self-employed customers, primarily in Tier 1–2 cities. Its proprietary technology enables end-to-end digital processing—from sourcing to disbursement—supported by advanced data analytics for credit underwriting and portfolio monitoring. The company previously dealt in short-term personal loans, but has now transitioned to offering medium and long-term personal loans, with tenors up to five years. The company is also doing secured LAP (Loan against property) loans, which was around 8% of the assets under management (AUM) as of 1HFY27, having a tenor up to 15 years and ticket sizes up to INR3 million, originated digitally with model-based underwriting and branch-led fulfilment. The company's underwriting model goes through continuous refinement as per the data it analyses, and it also uses performance-related data generated from the model to take strategically viable decisions in terms of customer selection and monitoring, facilitating scalable growth (a CAGR of around 67% from FY24 to 1HFY27).

OTSL has maintained a strong growth momentum in recent years, with its AUM increasing to INR93,168 million as of September 2026 (FY26: INR70,664 million; FY25: INR40,867 million; FY24: INR26,043 million) and own-book AUM rising to INR41,987 million (45% of AUM) (INR 35,563 million; INR24,745 million; INR14,752 million). Although the share of off-book, constituting 55% of the AUM as of September 2026, remain more than the on-book share, the management has indicated that this proportion would remain in the ratio of 50:50 going forward. OTSL's AUM is growing amid cautious lending,, reflected in a lower repeat customer share of around 53% in 1HFY27, vs around 70% in earlier years. The management targets AUM growth of around 27% in 2HFY27 while maintaining Si Creva's share. The management has also indicated that the scale-up of the LAP portfolio is likely to continue through the remaining quarters of FY27 and beyond.

Furthermore, OTSL has partnered with various other non-banking financial companies (NBFCs) and small finance banks, which follow a digital lending process for providing unsecured personal loans. The platform worked with multiple lending partners as of end-September 2026, and Si Creva was one of the partners; the company plans to add more partners to support its growth trajectory. Ind-Ra expects the growth momentum to continue over the medium term, with improved credit selection and loan portfolio expansion, despite high competition from other fintech companies.

Adequately Capitalised, Facilitating Headroom for Growth with Low Leverage: Si Creva's parent, OTSL, successfully completed its IPO in 1QFY27 with a total issue size of INR9,259.2 million, out of which INR8,500 million was a fresh issue and the rest INR759.2 million was an offer for sale. Out of the IPO proceeds, INR6,375 million were infused into Si Creva for augmenting growth and the balance was kept for general corporate purpose at OTSL's level. After six months of the IPO, OTSL did another round of private placement of INR8,322 million in 3QFY27, issuing equity shares to 34 non-promoter investors; out of these proceeds, 75% (i.e. INR6,241 million) is earmarked for Si Creva and the balance for loan-book growth via a rights issue. After the capital infusion of INR8,322 million in 3QFY27, OTSL's consolidated tangible net worth will increase to around INR30,000 million.

Over the years, Si Creva's parent company, OTSL, has raised capital from various investors such as Endiya Trustee, Ventureast, Vertex Ventures, AION, Ammar Bhd, Massachusetts Institute of Technology, among others, raising a cumulative amount of INR22,287 million since inception. To date, OTSL has injected INR20,676 million equity into Si Creva, including INR6,241 million in 3QFY27. As of end-1HFY27, OTSL's consolidated leverage (debt/tangible equity) was 1.02x (FY26: 2.02x; FY25: 1.70x; FY24: 1.16x), with no borrowings at the OTSL level. The management expects the leverage to remain moderate over the medium term, with no plans to exceed 3.0x at the consolidated level. This enhanced capital buffer will enable the company to absorb any asset quality shock (if any) due to inherent vulnerability of the segment.

Si Creva's enhanced capital position provides ample headroom for medium-term loan growth and franchise expansion, with the capital adequacy at 34.76% as of end-1HFY27 (FYE26: 25.28%). The consolidated tangible net worth was INR21,926 million as of 1HFY27 (FY26: INR11,852 million). Ind-Ra understands that OTSL's resources—both existing and future—will primarily be deployed to support Si Creva's growth and to develop new products across adjacencies, including personal

loans and secured loans (LAP).

Comfortable Profitability with Sustained Improvement: OTSL has demonstrated a consistently strong profitability track record in recent years with the profit after tax, on a consolidated basis, reaching INR2,815 million in FY26 and INR2,202 million in 1HFY27 (FY25: INR1,606 million). The company also reported a healthy ROAUM (returns on average AUM) of 5.05% in FY26 and 5.38% in 1HFY27 (FY25: 4.80%). The improvement in profitability was driven by a decrease in operating expenses (as a % of avg. AUM) and credit cost (albeit high; as a % of avg. AUM) from 17.43% and 9.77% in FY25 to 14.39% and 6.38%, respectively, as at 1HFY27, and because of lower borrowing costs. This continued healthy accrual will likely provide cushion for absorbing any credit shocks in the future and provide some headroom for future growth.

OTSL's yields decreased in recent years, driven by the implementation of competitive pricing to acquire and retain high-quality customers. As a result, the net interest revenue (as a % of average AUM) decreased to 29.8% in 1HFY27 (FY26: 34.02%; FY25:35.06%), due to a decrease in the overall pricing. However, it was offset by the company's gradual Improvement in operating leverage, due to higher portfolio growth, which provides economies of scale, and improving credit cost, which is a result of continuous improving underwriting practices. Ind-Ra expects further compression in its yields, as the company reduces its pricing in the medium term, to support better customer selection and lower credit cost over the medium term.

OTSL's ability to maintain strong profitability will depend upon its maintenance of healthy margins through low leverage, control in credit cost, further improving operating leverage, and avoiding asset quality slippages.

Developing Funding Profile with Increasing Lender Base: Si Creva has strengthened its funding profile over the years, with the number of lending relationships increasing to over 45 banks and financial institutions as of September 2026. The company has diversified its funding sources across public and private sector banks while maintaining access to capital market borrowings. The total borrowings amounted to INR23,845 million at end-September 2026. The borrowing has been funded through retail listed NCDs constituting 49.12%, followed by term loans at 40.48%, pass-through certificates at 2.53%, and the remaining by working capital loans. Also, most of the funding is through NBFCs (constituting 54.35% of the total outstanding as at September 2026), followed by banks (17.28%), fund houses (14.46%), and others (retail NCDs; 13.91%).

Si Creva raised funds at competitive rates in 1HFY27, with an average of 12.05% vs 12.70% in FY26, mainly due to an increase in the banking share from past years due to adequate equity raises and improving performance metrics. As per the management, Si Creva's incremental cost of borrowing has improved and it is at a blended rate of around 12%. The management also plans to add more banks to its lending suite and reduce the share of NBFCs to 30%-35%, while increase the share of banks to around 35%, with the balance 35%-40% continue to be raised through retail NCDs. Si Creva's borrowing is covered by a corporate guarantee from OTSL. Ind-Ra expects the mobilisation of funds from the banking space, which is a key monitorable over the medium term.

Moderate Asset Quality: The unsecured nature of loans keeps the inherent portfolio risk high, though the asset quality is moderate given the customer profile. However, early-stage delinquencies has improved compared to earlier years and the gross non-performing assets also improved to 2.18% in 1HFY27 (FY26: 2.12%; FY25: 2.89%; FY24: 0.79%). However, the company has made adequate provision with stage 3 provisioning at around 84%.

Credit costs have declined but remain elevated, reflecting provisioning and write-offs, with credit cost at 6.38% of average AUM in 1HFY27 (FY26: 8.26%; FY25: 9.77%) The company also provides first loss default guarantee (FLDG) for the co-lending partnerships; the same stood at 3.18% of average AUM in H1 FY27 (FY 26: 2.77%; FY 25: 1.85%). Industry-wide concerns over borrower overleveraging persist. In response, the company has tightened underwriting (current machine learning-based model) and operates at a fixed obligation income ratio below 50%, shifting towards longer-tenor, lower-yield loans to improve customer quality. The asset quality in its secured product offerings, i.e. micro-LAP, also remains a monitorable as the business scales up. Bounce rates improved to 13.40% as of September 2026 from 14.95% in FY25 (FY24: 18.96%). The ability to maintain asset quality while scaling operations is a key monitorable.

Regulatory Risks: Digital lending has faced increased scrutiny since early 2023. Moreover, the default loss guarantee guidelines implemented in June 2023 provides greater clarity around this. Ind-Ra believes the economics of digital lenders

may improve over the near to medium term. As digital lending is a relatively new area, regulations are likely to evolve continuously. The previously rapid growth, supported by financial institutions through co-lending and partnerships with new age fintechs, is likely to moderate as lenders recalibrate their strategies. Digital lending may gradually expand into personal loan adjacencies and asset-backed finance segments, which could attract further regulatory scrutiny. Additionally, the RBI's recent amendment on video know your customer has added verification layers, increasing operating expenses for lending entities. The dynamic business environment for digital lenders suggests that future regulations could further impact the economics and compliance requirements of the sector.

Liquidity

Adequate: OTSL maintained adequate liquidity of INR6551.5 million in the form of unencumbered cash and bank balances and liquid investments as of 30 September 2026. In addition, the company had unutilised bank lines of INR160.7 million, providing further funding flexibility. Debt repayment for the next three months (October 2026 to December 2026) amounts to INR4,946.1 million. The contractual asset-liability statement at end-September 2026 displayed a cumulative positive surplus of 29.6% of the cumulative total outflows up to one year. As per the management, the management plans to maintain on-balance sheet liquidity for three months of debt servicing and operational expenditure with INR1,000 million as free cash at the NBFC level.

Rating Sensitivities

Positive: The following developments could collectively result in a positive rating action**:**

- substantial growth in the franchisee scale, along with an improvement in the credit cost
- further diversification of the funding profile and a reduction in the borrowing cost
- Continued improvement in profitability with improving operating leverage and maintenance of adequate liquidity

Negative: The following developments, individually or collectively, could lead to a negative rating action:

- delays in equity infusion leading to the consolidated leverage (debt/tangible equity) exceeding 3.0x on a sustained basis
- challenges in raising funds and dilution in the liquidity buffers
- deterioration in the profitability and asset quality

Any Other Information

Not applicable

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on Si Creva, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

About the Company

Si Creva, a wholly-owned subsidiary of OTSL, was founded in 2016. Si Creva is registered as a non-systemically important non-deposit taking NBFC, which provides mainly unsecured personal loans. OTSL is a digital lending platform and has partnered with various financial institutions to provide personal loans to customers. Si Creva is a technology-enabled NBFC, which has an underwriting platform that integrates an algorithm-based credit assessment and is one of the lending partners of OTSL.

Key Financial Indicators

Particulars (INR million)	1HFY27	FY26	FY25
Total assets	47,805	38,310	25,823

Particulars (INR million)	1HFY27	FY26	FY25
Total tangible equity	21,926	11,852	8,872
Net income	2,202	2,815	1,606
Return on average AUM (%)	5.38	5.05	4.80
Return on average equity (%)	26.08	27.16	20.57
Debt/equity (x)	1.02	2.02	1.70
Source: OTSL, Ind-Ra Note: ratios are as per Ind-Ra's calculations			

Status of Non-Cooperation with Previous Rating Agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook
	Rating Type	Rated Limits (INR million)	Current Rating	13 November 2025
Non-convertible debentures	Long term	10,000	IND A/Stable	IND A-/Stable
Bank loan facilities	Long-term	6,500	IND A/Stable	IND A-/Stable
Commercial papers	Short-term	2,500	IND A1	IND A1

Disclosure on instruments / activities and names of regulators:

A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by Ind-Ra on its website. A link to the same has been provided below for ready reference:

Rating Activities

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Bank wise Facilities Details

The details are as reported by the issuer as on (12 Nov 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	IDFC First Bank	Fixed deposit overdraft	10	IND A/Stable
2	AU Small Finance Bank Limited	Term loan	400	IND A/Stable
3	DCB Bank	Term loan	200	IND A/Stable
4	IDFC First Bank	Term loan	750	IND A/Stable

5	Jana Small Finance Bank	Term loan	500	IND A/Stable
6	Karur Vysya Bank	Term loan	400	IND A/Stable
7	SBM Bank (India) Limited	Term loan	300	IND A/Stable
8	State Bank of India	Term loan	345	IND A/Stable
9	Suryoday Small Finance Bank	Term loan	210	IND A/Stable
10	Unity Small Finance Bank	Term loan	200	IND A/Stable
11	Utkarsh Small Finance Bank Limited	Term loan	310	IND A/Stable
12	Utkarsh Small Finance Bank Limited	Term loan	250	IND A/Stable
13	NA	Bank loan facilities	2625	IND A/Stable

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low
Commercial paper	Low
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

Annexure

Instrument Type	ISIN	Regulator of instruments	Date of Issuance	Coupon Rate (%)	Maturity Date	Rating/Outlook	Outstanding/Rated Amount (INR million)
NCDs	INE996U07453	SEBI	30 December 2025	13	30 June 2027	IND A/Stable	300
NCDs	INE996U07461	SEBI	28 January 2026	12.5	28 July 2027	IND A/Stable	1,250
NCDs	INE996U07479	SEBI	23 January 2026	13	23 July 2027	IND A/Stable	200
NCDs	INE996U07487	SEBI	22 January 2026	11	22 April 2027	IND A/Stable	500
NCDs	INE996U07495	SEBI	22 January 2026	11	22 April 2027	IND A/Stable	400

Instrument Type	ISIN	Regulator of instruments	Date of Issuance	Coupon Rate (%)	Maturity Date	Rating/Outlook	Outstanding/Rated Amount (INR million)
NCDs	INE996U07503	SEBI	12 February 2026	12	17 April 2029	IND A/Stable	500
NCDs	INE996U07511	SEBI	10 February 2026	12.5	08 August 2027	IND A/Stable	250
NCDs	INE996U07529	SEBI	26 February 2026	11	31 August 2027	IND A/Stable	400
NCDs	INE996U07537	SEBI	07 April 2026	12	07 April 2028	IND A/Stable	250
NCDs	INE996U07545	SEBI	10 April 2026	12.2	10 May 2027	IND A/Stable	500
NCDs	INE996U07552	SEBI	22 May 2026	12.03	22 May 2028	IND A/Stable	350
NCDs	INE996U07560	SEBI	13 July 2026	11	13 July 2028	IND A/Stable	3,250
NCDs	Unutillised	SEBI	NA	NA	NA	IND A/Stable	1,850
Total							10,000
Source: NSDL, Si Creva							

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APPLICABLE CRITERIA AND POLICIES

Financial Institutions Rating Criteria

Non-Bank Finance Companies Criteria

The Rating Process

Evaluating Corporate Governance

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