September 25, 2026

Satin Housing Finance Limited: [ICRA]A- (Stable) assigned to Rs. 50-crore NCD programme; rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term fund-based bank facilities (others)	700.0	700.0	[ICRA]A- (Stable); reaffirmed	RBI
Subordinated programme	25.0	25.0	[ICRA]A- (Stable); reaffirmed	SEBI
NCD programme	75.0	75.0	[ICRA]A- (Stable); reaffirmed	SEBI
NCD programme	0.0	50.0	[ICRA]A- (Stable); assigned	SEBI
Total	**800.0**	**850.0**		

**Instrument details are provided in Annexure I; NCD – Non-convertible debentures*

 # 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

Rationale

The rating factors in Satin Housing Finance Limited's (Satin HFL) parentage; it is a wholly-owned subsidiary of Satin Creditcare Network Limited (SCNL; rated [ICRA]A (Stable)/[ICRA]A1). Apart from regular funding support (debt and equity) from SCNL, the company benefits from board-level guidance in the form of common directors, including Mr. H P Singh (promotor of SCNL). The rating also considers Satin HFL's adequate capitalisation profile with a capital-to-risk weighted assets ratio (CRAR) of 59.8% and a managed gearing[1] of 2.4 times as on June 30, 2026, aided by regular equity infusions by SCNL. The most recent infusion was Rs. 100 crore in FY2026 (Rs. 70 crore in FY2025). ICRA expects that SCNL will continue to support Satin HFL's growth plans in the form of board-level guidance and funding (debt and equity), as and when required.

The rating is, however, constrained by Satin HFL's moderate asset quality and earnings profile. The asset quality deteriorated from FY2025 with gross non-performing assets (GNPAs) rising to 3.3% as on June 30, 2026 (3.0% as on March 31, 2026) from 0.8% as on March 31, 2024 on account of field-level operational challenges. Given the pace of growth and the relatively riskier borrower profile of the low-and-assessed-income segments, Satin HFL continues to be exposed to volatility in the asset quality. ICRA takes note of the corrective measures being taken by the company, including the appointment of dedicated collections staff at branches, though the outcome remains to be seen.

Satin HFL's moderate earnings profile is characterised by relatively lower interest margins and elevated operating expenses. The company reported a modest profit after tax (PAT) of Rs. 1.5 crore in Q1 FY2027, translating to 0.4% of average managed assets (AMA; Rs. 5.1 crore and 0.4%, respectively, in FY2026). ICRA takes note of Satin HFL's plan to scale up the relatively higher-yielding micro housing loan (HL) and micro loan against property (LAP) products, which shall help improve its yields and margins. The company's ability to contain its credit costs while improving its margins and operating efficiency will be key for a sustained rise in its profitability. ICRA expects a gradual improvement in the company's earnings profile as it continues to scale up its assets under management (AUM) by 25-30% per annum over the near-to-medium term.

[1] *Managed gearing = (On-book debt + Off-book portfolio)/Net worth*

The Stable outlook on the long-term rating reflects ICRA's opinion that Satin HFL will be able to maintain a steady credit profile and adequate capitalisation, while expanding its scale of operations, with 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 from the fact that SCNL does not intend to reduce its stake in Satin HFL in the near-to-medium term and is expected to continue providing support by way of board-level guidance and funding. Further, Satin HFL can potentially leverage SCNL's fairly diversified lending relationships to support its growth plans.

Adequate capitalisation – Satin HFL remains adequately capitalised, supported by regular capital infusions by SCNL. Satin HFL received Rs. 100 crore of equity capital in FY2026 from SCNL (Rs. 70 crore in FY2025). The company's CRAR of 59.8%, as on June 30, 2026, was well above the regulatory requirement while its managed gearing stood at 2.4 times (2.4 times as on March 31, 2026). ICRA expects Satin HFL to remain adequately capitalised, aided by regular capital infusions from SCNL.

Credit challenges

Moderate asset quality and earnings profile – The company's asset quality deteriorated from FY2025 with GNPAs rising to 3.3% as on June 30, 2026 (3.0% as on March 31, 2026) from 0.8% as on March 31, 2024 on account of field-level operational challenges. This apart, it was holding repossessed assets (net) of ~Rs. 10 crore (1.0% of on-book portfolio) as on June 30, 2026. Given the pace of growth and the relatively riskier borrower profile of the low-and-assessed-income segments, Satin HFL remains exposed to volatility in the asset quality. ICRA takes note of the corrective measures being taken by the company, including the appointment of dedicated collections staff at branches, though the outcome is yet to be seen. Satin HFL's ability to sustainably improve its asset quality and contain slippages remains monitorable.

Apart from the increase in credit costs amid the deterioration in the asset quality, the company's yield on loans and interest margins declined in FY2026. This was due to its purchase of the relatively lower-yielding housing loan portfolio to comply with the principal business criteria applicable to housing finance companies. The interest margins declined further in Q1 FY2027 on account of the increase in the cost of funding. Moreover, the operating efficiency remains moderate despite improving. Satin HFL reported a modest PAT of Rs. 1.5 crore in Q1 FY2027, translating to 0.4% of AMA (Rs. 5.1 crore and 0.4%, respectively, in FY2026), which was supported by upfront income from direct assignment transactions. ICRA takes note of the company's plan to scale up the relatively higher-yielding micro-HL and micro-LAP products, which shall help improve its yields and margins. Satin HFL's ability to increase its margins and operating efficiency will be key for a sustained rise in its profitability.

Unseasoned portfolio with relatively vulnerable borrower profile – Satin HFL started operations in February 2018 and it scaled up its AUM to Rs. 1,263 crore as on June 30, 2026 (Rs. 1,267 crore as on March 31, 2026). Given its nascent stage of operations and high pace of growth (compound annual growth rate (CAGR) of ~41% during March 2021 to March 2026), Satin HFL's portfolio remains unseasoned. Further, the operations remain geographically concentrated with the top 3 states constituting 65% of AUM as on June 30, 2026 (65% as on March 31, 2026).

Satin HFL operates in the affordable housing finance segment. It offers HLs and LAP to a relatively vulnerable borrower segment, given their low-to-middle-income profile. Most of the borrowers work in small private enterprises or proprietorships and remain vulnerable to economic cycles. While losses on default are expected to be limited, considering the secured nature of the portfolio with moderate loan-to-value (LTV) ratios (average LTV of 50-60%), asset quality indicators shall remain volatile. The company's ability to manage the asset quality across cycles, especially in the relatively new micro-LAP and micro-HL segments, and achieve recoveries from overdue accounts remains monitorable.

Liquidity position: Adequate

Satin HFL's liquidity profile remains adequate with on-book liquidity of Rs. 48 crore as on June 30, 2026, as per its provisional asset-liability management (ALM) statement. This, along with scheduled collections of Rs. 298 crore, is sufficient to meet the scheduled debt obligations of Rs. 286 crore over the 12-month period of July 2026 to June 2027. ICRA expects support from SCNL to be forthcoming if required.

Rating sensitivities

Positive factors – Healthy growth in Satin HFL's scale of operations, with an improvement in its profitability profile, while maintaining prudent capitalisation and asset quality could positively impact the rating. Also, an improvement in SCNL's credit profile could positively impact the rating.

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 rating. Further, pressure on the rating could arise on a sustained deterioration in the scale and/or asset quality, thereby weakening the profitability profile, or on material weakening of the capitalisation profile.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Non-banking Finance Companies (NBFCs)
Parent/Group support	The rating factors in the high likelihood of support from SCNL (parent company), given the shared brand name and the operational and financial support being extended to Satin HFL.
Consolidation/Standalone	Standalone

About the company

Satin HFL is a non-banking financial company-housing finance company (NBFC-HFC) and a wholly-owned subsidiary of SCNL. It offers HLs, LAP, micro-HLs and micro-LAP. It had operations in 22 states as on June 30, 2026 and reported AUM of Rs. 1,263 crore. On a standalone basis, it reported a net profit of Rs. 5.1 crore in FY2026 (total comprehensive income (TCI) of Rs. 10.0 crore) against Rs. 4.0 crore in FY2025 (TCI of Rs. 0.8 crore). It reported a profit after tax (PAT) of Rs. 1.5 crore and TCI of Rs. 7.2 crore in Q1 FY2027.

SCNL is an NBFC-microfinance institution (NBFC-MFI), primarily offering joint liability group (JLG) loans to women. It had 2,041 branches spreads across 27 states and 5 Union Territories, on a consolidated basis, as on June 30, 2026. Apart from Satin HFL, SCNL has three wholly-owned subsidiaries – Satin Finserv Limited, Satin Technologies Limited and Satin Growth Alternatives Limited.

Key financial indicators (audited)

Satin Housing Finance Limited	FY2025	FY2026	Q1 FY2027^
Total income	112	146	38
PAT	4	5	2
Total managed assets	1,017	1,380	1,393
Return on managed assets	0.4%	0.4%	0.4%
Managed gearing (times)	2.5	2.4	2.4
Gross NPA	2.8%	3.0%	3.3%
CRAR	52.3%	53.6%	59.8%

Source: Company, ICRA Research; All ratios as per ICRA's calculations and estimates; Amount in Rs. crore; ^Limited review financials for Q1 FY2027

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2027)					Chronology of rating history for the past 3 years					
	FY2027					FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Sep 25, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Subordinated bonds/Debt	Long term	25	[ICRA]A-(Stable)	Apr-13-2026	[ICRA]A-(Stable)	Apr-15-2025	[ICRA]A-(Stable)	Sep-02-2024	[ICRA]A-(Stable)	Mar-20-2024	[ICRA]A-(Stable)
								Dec-24-2024	[ICRA]A-(Stable)	-	-
								Feb-04-2025	[ICRA]A-(Stable)	-	-
NCD programme	Long term	50	[ICRA]A-(Stable)	Apr-13-2026	[ICRA]A-(Stable)	Apr-15-2025	[ICRA]A-(Stable)	Sep-02-2024	[ICRA]A-(Stable)	-	-
								Dec-24-2024	[ICRA]A-(Stable)	-	-
								Feb-04-2025	[ICRA]A-(Stable)	-	-
								Feb-04-2025	[ICRA]A-(Stable)	-	-
NCD programme	Long term	25	[ICRA]A-(Stable)	Apr-13-2026	[ICRA]A-(Stable)	Apr-15-2025	[ICRA]A-(Stable)	Sep-02-2024	[ICRA]A-(Stable)	-	-
								Dec-24-2024	[ICRA]A-(Stable)	-	-
								Feb-04-2025	[ICRA]A-(Stable)	-	-
								Feb-04-2025	[ICRA]A-(Stable)	-	-
NCD programme	Long term	50	[ICRA]A-(Stable)								
Fund-based bank facilities (others)	Long term	700	[ICRA]A-(Stable)	Apr-13-2026	[ICRA]A-(Stable)	Apr-15-2025	[ICRA]A-(Stable)	Sep-02-2024	[ICRA]A-(Stable)	Dec-27-2023	[ICRA]A-(Stable)
								Dec-24-2024	[ICRA]A-(Stable)	Mar-20-2024	[ICRA]A-(Stable)
								Feb-04-2025	[ICRA]A-(Stable)	Mar-20-2024	[ICRA]A-(Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based bank facilities (others)	Simple
NCD programme	Simple
Subordinated debt	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#
INE02YC07026	**NCD programme**	Sep-27-2024	8.93%	Sep-27-2027	25.0	[ICRA]A- (Stable)	SEBI
INE02YC07034	**NCD programme**	Feb-14-2025	11.00%	Feb-14-2027	20.0	[ICRA]A- (Stable)	SEBI
Yet to be placed	**NCD programme**	NA	NA	NA	30.0	[ICRA]A- (Stable)	SEBI
Yet to be placed	**NCD programme**	NA	NA	NA	50.0	[ICRA]A- (Stable)	SEBI
INE02YC08016	**Subordinated debt**	Dec-17-2019	14.00%	Dec-31-2026	20.0	[ICRA]A- (Stable)	SEBI
Yet to be placed	**Subordinated debt**	NA	NA	NA	5.0	[ICRA]A- (Stable)	SEBI
NA	**Long-term bank facilities (others)**	Mar 2019 to Mar 2025	8.00% to 14.50%	Oct 2025 to Jan 2034	700.0	[ICRA]A- (Stable)	RBI

Source: Company; # 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

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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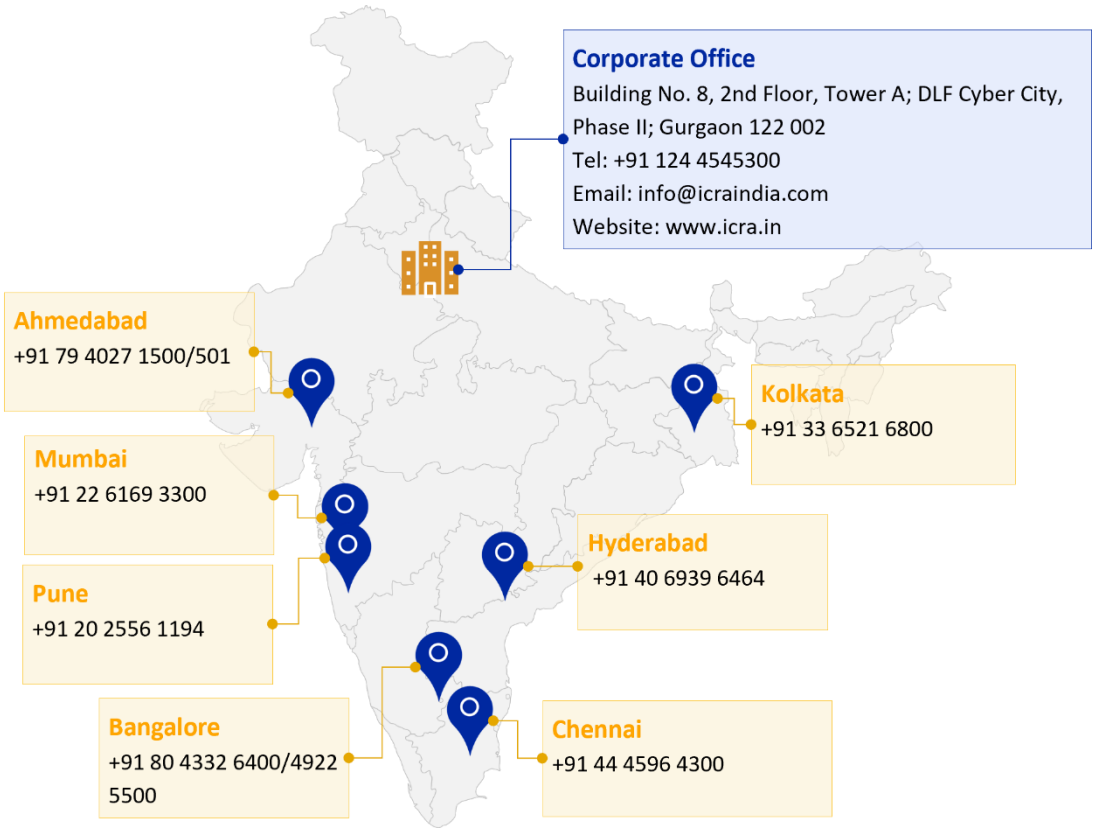

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