

RATING RATIONALE

07 October 2026

Satin Creditcare Network Limited

Brickwork Ratings assigns ratings for the proposed Commercial Paper of Rs 200.00 crore of Satin Creditcare Network Limited

Particulars:

Instruments	Tenure	Amount (Rs. Crs)	Rating	Regulator
Commercial Paper (Proposed)	Short Term	200.00	BWR A1+ (Assigned)	RBI
Total		200.00	Rupees Two Hundred Crores Only	

Note:

1. Please refer to the BWR website www.brickworkratings.com/ for the definition of the ratings
2. Refer to Annexures I, II and III for details of rated bank loan facilities, debt instruments and the List of Entities consolidated

RATING ACTION / OUTLOOK: ASSIGNMENT

Brickwork Ratings (BWR) assigns the short-term rating of BWR A1+ for the proposed Commercial Paper program amounting to Rs. 200 crore of Satin Creditcare Network Limited (Company or 'SCNL').

For arriving at the rating, BWR has evaluated SCNL's standalone and consolidated financial profiles, factoring in the company's comfortable capitalization, backed by a Capital Adequacy Ratio (CAR) consistently maintained above 25% (26.74% as of June 30, 2026), well above the regulatory threshold of 15%. The rating factors in SCNL's strong capitalization profile, supported by a standalone net worth of Rs. 3,129 crore and leverage (gearing) of 3.07 times as of March 31, 2026, which is increased to a net worth of Rs 3243 Crs as of June 30 2026 and gearing of 3.15 times on a standalone basis as of June 30, 2026. Capitalization has been further strengthened by capital infusions, with promoters infusing Rs. 100 crore during the current financial year and plans to raise additional capital in the near term to fund growth plans across SCNL and its subsidiaries.

The rating also takes into consideration SCNL's improved asset quality, with GNPA at 2.18% as of June 30, 2026, and 3.12% as of March 31, 2026, reflecting a sharp recovery compared to 3.70% as of March 31, 2025. Although this improvement is partially attributable to write-offs and targeted recovery efforts, incremental slippages are expected to remain moderate over the near term despite a challenging operating environment in the microfinance sector; nevertheless, asset quality performance will remain a key monitorable.

SCNL's profitability continues to be healthy, characterized by a standalone Return on Managed Assets (RoMA) of 3.61% (Profit After Tax of Rs. 120 crore for Q1 FY27) and a consolidated RoMA of 3.09% (Consolidated PAT of Rs. 123 crore for Q1 FY27).

While operating expenses have remained elevated recently (Opex-to-AUM stood at 5.93% as of 31 March 2026 and 6.04% as of Q1 FY27) driven by ongoing branch network expansion, they are expected to remain at similar levels over the near-to-medium term as SCNL expands its footprint into housing finance and retail MSME lending via its subsidiaries. Furthermore, credit costs—which stood at 1.44% to Managed AUM in FY24—spiked to 4.59% in FY25 and remained elevated at 3.82% in FY26 following deliberate bad debt write-offs (Rs 301 crore in FY25 and Rs 352 crore in FY26) aimed at cleaning up stressed accounts.

BWR notes that SCNL's board, promoters, and senior management team possess extensive experience and proven execution capabilities in the microfinance and retail lending business.

The Stable outlook reflects BWR's expectation that SCNL's credit profile will remain steady in the near term, aided by healthy profitability metrics, comfortable capitalization buffers, and adequate balance sheet liquidity to support ongoing business diversification

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED:

- ❑ **Commercial Paper:** Proposed to be raised. These instruments will be raised in the nature of commercial paper of up to Rs. 200 crores. It will be raised in single/ multiple tranches at a coupon rate to be decided and will be for a tenor of upto 180 / 364 days. The other terms and conditions to be in line with the existing raised Commercial paper by the Company.

ANALYTICAL APPROACH & APPLICABLE RATING CRITERIA

Analytical Approach	Comments
Applicable Rating Criteria	❑ General ❑ NBFC Criteria ❑ Approach to Financial Ratios ❑ Consolidation of Companies ❑ Commercial Paper ❑ Short Term Debt
Parent/Group/Government Support	Nil
Analytical Approach (Consolidation/Standalone)	Consolidated financials of Satin CreditCare Network Limited ❑ Financials of its wholly owned subsidiaries are viz. Satin Housing Finance Limited, Satin Finserv Limited, Satin Technologies Ltd, Qtrino and Satin Growth Alternatives Limited are considered for the consolidation. ❑ BWR has applied its methodologies as applicable for rating of short-term debt instruments

KEY RATING DRIVERS

Credit Strengths:

Experienced Management and Proven Track Record Through Economic Cycles

The Company's board of directors is anchored by Chairman and Managing Director Dr. H P Singh, who brings over four decades of experience and has successfully guided the company through multiple economic and business cycles

since its inception in 1990. The board and executive management team comprise seasoned professionals with extensive expertise across the BFSI sector, microfinance, risk management, regulatory compliance, and strategic planning. This experienced leadership has demonstrated resilience and operational acumen, successfully steering the institution through adverse scenarios, regulatory shifts, and regional economic challenges while maintaining robust corporate governance, sustainable growth, and strong financial performance.

Comfortable capitalisation

The company's capitalization profile remains comfortable for its existing scale of operations, backed by regular capital infusions despite challenging economic environments, indicating strong investor support. The standalone Capital Adequacy Ratio (CRAR) stands at a healthy 25.39% as of March 2026, supported by a tangible net worth of Rs 3,129 crore in FY26, which further expanded to Rs 3,243 crore as of June 2026. Leverage is maintained at a controlled gearing of 3.15x. Furthermore, during the quarter ended June 2026, the board has approved a Rs 100 crore equity infusion to strengthen net worth and increase promoter holding. The company has indicated a plan to raise Rs 400 crore at the group level in FY 2026-27, a portion of which is expected to be utilized for its subsidiaries. SCNL remains committed to maintaining CRAR at or above 25% going forward, supported by planned capital raises and internal accruals.

Established Market Position with strong lender relationships:

SCNL maintains a leading presence in the microfinance sector with a network of 2,041 branches serving over 34 lakh active borrowers across 32 states and union territories as of June 30, 2026, up from 1568 branches as of March 31, 2025. Co-lending, along with banking correspondent arrangements through multiple PSU lenders and NBFCs, helped the company to expand the overall client base to 34 lakhs as of June 30, 2026.

SCNL's resource base is diversified across over 77 active lenders. During the June 2026 quarter, the company has secured an INR 2,000 Crore direct assignment sanction limit from a public sector bank via a first-ever digital direct assignment. These limits were sanctioned under the Government Guarantee Scheme for MFIs, significantly enhancing funding flexibility.

Moderate Earnings Profile:

Consolidated AUM reached Rs 15,935 Crores as of June 30, 2026, registering a 27.5% year-on-year growth, while standalone AUM stood at Rs 13,312 Crores alongside an off-book direct assignment portfolio accounting for approximately 22% of total AUM.

The company's consolidated revenue from operations grew 21.7% year-on-year to Rs 827 Crores in Q1 FY27, with consolidated PAT reaching Rs 123 Crores, while standalone Q1 FY27 PAT stood at Rs 120 Crores. Provision buffers are maintained with a Provision Coverage Ratio of 85% on the 90+ DPD book, supplemented by a management overlay cushion of Rs 36 Crores to absorb future credit shocks without causing material disruptions to earnings or capital.

Credit Risks:**Susceptibility to potential risk from sociopolitical issues in the microfinance sector and inherently modest credit risk profile of borrowers:**

The Company's target borrower segment remains exposed to socio-political risks, local economic disruptions, and adverse weather events due to the unsecured nature of microfinance loans. SCNL's customers comprise low- and middle-income borrowers engaged in agricultural activity, trading activity, and other allied services, exposing the

company to the relatively economically vulnerable borrower segment. As of 30th June 2026, Agriculture remains the primary loan driver, accounting for 70.80%, and the general trading purpose category accounts for 11.10%, which also presents the highest portfolio risk, with a PAR rate of 4.33% and a PAR 90+ rate of 3.48%. While the company fully follows Guardrail 2.0 RBI guidelines, its ability to manage its portfolio during events adversely affecting the MFI sector remains monitorable.

Asset Quality Although Improved Remains Monitorable:

While asset quality metrics have shown improvement with Gross NPA (90+dpd) standing at 2.18% (Rs 218.57 Crores) and Net NPA at 0.33% (Rs 33.50 Crores) as of June 30, 2026, backed by provision coverage ratio of 85%, asset quality remains a key monitorable given the Company's write-offs stood at Rs 127 Crores (roundoff) in Q1 FY27, with cumulative FY27 write-offs expected up to Rs 250 Crores, projecting full-year credit costs at around 3.5%, amid regional disruptions. Assam and Uttar Pradesh state accounts for a large proportion of the portfolio; though the Company's portfolio is distributed among 590 districts in India, its efforts to reduce concentration in contiguous districts and states will be key monitorable.

RATING SENSITIVITIES

Positive: Not Applicable

Negative:

- Significant deterioration in asset quality with gross non-performing assets (GNPA) exceeding 4% on a sustained basis.
- Sharp contraction in profitability with ROMA below 2% or sustained elevation of credit costs beyond projected levels due to unforeseen macroeconomic shocks or regional portfolio stress.

LIQUIDITY: STRONG

The company maintains an adequate liquidity profile, characterized by a well-matched Asset-Liability Management (ALM) structure with no cumulative negative mismatches across any time buckets up to one year as of June 30, 2026, supported by undrawn limits of Rs 2600 Crores, including Rs 1000 Crores sanctioned bank facilities under the Government Guarantee Scheme.

Liquidity is supported by unencumbered cash and cash equivalents together with undrawn limits amounting to Rs 4837 crore as on 30th June 2026 against debt servicing repayment obligations of Rs 4500 crore due over the next 12 months. Liquidity Coverage Ratio stands at 135.55% as of March 31, 2026, and remains above 125% as of June 30, 2026, comfortably surpassing the regulatory minimum of 100%.

ESG PROFILE: ENVIRONMENTAL, SOCIAL, GOVERNANCE

The company demonstrates an Adequate ESG profile based on its environmental, social, and governance practices. The ESG profile for financial sector entities typically factors governance as a key differentiator.

Environmental: Environmental evaluation considers lending restrictions on environmentally sensitive sectors (if applicable) and the extent of support for green or sustainable-financing products.

Social: Social assessment covers employee welfare initiatives, diversity and inclusion practices, women workforce, and financial-inclusion measures. Customer service and grievance-resolution systems, data privacy and

information-security measures, and community development or CSR initiatives.

Governance: Governance analysis includes the effectiveness of investor and stakeholder grievance-redressal mechanisms, the structure and independence of the board (with independent directors), adherence to regulatory and ethical standards, and workforce-governance policies promoting fairness and equity

COMPANY PROFILE

Satin Creditcare was incorporated in October 1990. Founded in 1990 by Dr. H. P. Singh, The Company got listed in 1996 and registered as an NBFC with the RBI in 1998 under the name Satin Leasing and Finance Limited. It was subsequently renamed Satin Creditcare Network Limited in 2000. In November 2021, Satin Creditcare Network Limited was classified as NBFC-MFI. The Promoters currently hold a 36% stake, public shareholders hold around 20%, and the remaining equity is backed by marquee investors such as Florintree Ventures, the Asian Development Bank, alongwith various domestic and foreign institutional investors. Operationally, the company has a strong footprint across 32 states and Union Territories through a network of 2,041 branches. Through its Housing and MSME business, it also provides affordable housing and retail MSME loans to qualifying customers as they progress beyond traditional microfinance requirements. Microfinance currently makes up 81% of its consolidated portfolio while housing and MSME loans account for 19%, though management plans to shift this mix to 70–30 over the near to medium term. Within Microfinance businesses, Joint Liability Group loans remain the Company’s principal product offering. These loans weighted average ROI of 26%, tenures ranging from 6 to 48 months, and an average ticket size of ₹61,000.

Industry Classification			
Macroeconomic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Finance	Microfinance Institution

KEY FINANCIAL INDICATORS OF THE SATIN CREDITCARE NETWORK LTD - (STANDALONE)

Standalone Financial Indicators	Units	FY24 (A)	FY25 (A)	FY26 (A)	Q1FY27 (UA)
AUM (Managed Assets)	Rs. in Cr.	10,593	11,316	12,853	13312
NII *	Rs. in Cr.	915	1156	1035	426
PAT	Rs. in Cr.	423	217	302	120
ROMA	%	3.99	1.91	2.35	3.61@
Gross NPA	%	2.49	3.70	3.12	2.18
Net worth	Rs. in Cr.	2,667	2,843	3,129	3,243
D/E	times	2.73	2.77	3.07	3.15

@annualised, * NII - Interest income - Interest Expenses, ROMA = PAT/ Managed Assets

A: Audited; UA: Unaudited.

Note: These are the latest available financial results. Amount in ₹ crore.

KEY FINANCIAL INDICATORS OF THE SATIN CREDITCARE NETWORK LTD - (CONSOLIDATED)

Consolidated Financial Indicators	Units	FY 24 (A)	FY 25 (A)	FY 26 (A)	Q1F2Y27 (UA)
Gross Income	Rs in Crs	2240	2571	3161	765
PAT	Rs in Crs	436	186	332	123
Networth	Rs in Crs	2401	2543	2868	2992
D/E	Times	3.33x	3.49x	3.86x	3.97x
AUM	Rs in Crs	11850	12784	15174	15935

A: Audited; UA: Unaudited.

Note: These are the latest available financial results. Amount in ₹ crore.

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY: None with other CRA

Any Other Information: Not Applicable

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Instrument	Current Rating			Rating History					
	01 Oct 2026			2025		2024		2023	
	Type	Amount (₹ crore)	Rating	Date	Rating	Date	Rating	Date	Rating
Proposed Commercial Paper	Short Term	200.00	BWR A1+ (Assignment)	NA	NA	NA	NA	NA	NA
Total	Rupees Two Hundred Crores Only								

COMPLEXITY LEVELS OF THE RATED INSTRUMENTS: 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 BWR's website www.brickworkratings.com/download/ComplexityLevels.pdf

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY): NA

ANY OTHER INFORMATION: None

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Satin Creditcare Network Limited

ANNEXURE I

Details of Bank Loan Facilities as of 30 June 2026 rated by BWR:

Sr. No	Name of the bank/ lender	Facilities	Long Term (Rs. Crs)	Short term (Rs. Crs)	Total (Rs. Crs)	Complexity of the Instrument*	Regulator
		Not applicable					

*For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

ANNEXURE II

INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS :

S. No	Instrument	Issue Date	Rated Amount (Rs in Crs)	Coupon Rate (%)	Maturity Date	ISIN	Complexity Levels	Regulator
1	Proposed Commercial Paper (to be listed)	NA	200.00	NA	NA	NA	NA	RBI
	Total		200.00	Rupees Two Hundred Crores Only				

*For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

ANNEXURE- III
List of Entities Consolidated

Name of Entity	% Ownership	Extent of Consolidation	Rationale for Consolidation
Satin Creditcare Network Limited	-	-	Parent Company
Satin Housing Finance Limited	100%	Full	Wholly owned subsidiary
Satin Finserv Limited	100%	Full	Wholly owned subsidiary
Satin Technologies Limited	100%	Full	Wholly owned subsidiary
Satin Growth Alternatives Limited	100%	Full	Wholly owned subsidiary
QTrino Labs Limited	67.88%	Full	Step Down subsidiary

Annexure IV: List of instruments and names of regulators of the instruments

A.	Rating activities	
Sr. No.	Instrument/activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* \$	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI

*

11	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts \$	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
22	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
23	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

Includes securitisation transactions involving assignee payout and acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI, or MCA, and can only be determined upon issuance. In PRs subsequent to issuance(s), Brickwork Ratings India Private Limited (BWR) shall separately capture the rated quantum details along with the names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility, which are part of securitisation transactions. # There is no instrument being rated, and hence, the Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in the SEBI Master Circular for CRAs.

@ These ratings were assigned during the regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and the investor side regulators have accordingly been included.

\$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

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.

B	Other Activities	Regulator of the Instruments
1	Monitoring Agencies	SEBI
2	Research activities incidental to rating such as research for Economy, Industries and Companies *	NA

Grievance Management: For any grievances relating to the rating of instruments regulated by SEBI, please contact sebigrievance@brickworkratings.com. 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

For any grievances relating to the rating of instruments regulated by other FSR (Financial Sector Regulators), please contact grievance@brickworkratings.com

DISCLOSURE ON CONFLICT OF INTEREST

BWR Board of Directors has no influence over rating decisions, nor do they sit on the rating committee or review, discuss, or evaluate any credit rating during the Board meetings.

About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and is accredited by the Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009, and its corporate office is in Bengaluru. It has a country-wide presence with representatives in 150+ locations. Canara Bank is Brickwork's strategic partner.

Brickwork offers credit ratings of Bank Loans, Non- convertible/convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

Disclaimer

Nature of Ratings & Information: BWR ratings are opinions on the relative ability of an entity/instrument to meet its financial obligations and are based on information obtained from issuers and other sources believed to be reliable. BWR does not conduct audits, due diligence, or independent verification of such information and does not guarantee its accuracy, adequacy, or completeness. Ratings are current only as of the date of publication and may be revised based on new or unavailable information.

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