



Press Release

Satin Housing Finance Limited (SHFL)

April 16, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Fund Based - Long Term Bank Facilities – Term loans	312.87	IVR A-/ Stable (IVR Single A Minus with stable outlook)	IVR A-/ Stable (IVR Single A Minus with stable outlook)	Rating reaffirmed and simultaneously withdrawn*	Simple
Non-Convertible Debentures (NCDs)	20.00	IVR A-/ Stable (IVR Single A Minus with stable outlook)	IVR A-/ Stable (IVR Single A Minus with stable outlook)	Rating reaffirmed	Simple
Total			332.87		

(Rupees Three Hundred Thirty-Two Crore and Eighty Seven Lakhs Only)

*Withdrawal of the rating assigned to bank loan facilities is at the request of the company and “No Objection Certificate’s” provided by the lenders. The withdrawal of rating is in line with Infomerics withdrawal policy.

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 reaffirmed (as applicable) its rating assigned to the Non-Convertible Debentures (NCDs) as it continues to derive comfort from strong linkages with parent company i.e. Satin Credit Care Limited (SCNL), strong capitalisation levels, improved earnings profile and strong systems, policies and procedures put in place. However, the rating strengths are partially offset by average asset quality, moderate scale of operations due to regional concentration and inherent risks associated with affordable housing segment.

Infomerics ratings has also reaffirmed the ratings assigned to bank loan facilities and simultaneously withdrawing the ratings at the request of the client and submission of “No Objection Certificate” from the lenders. The withdrawal of the ratings is in line with the Infomerics policy on withdrawal of ratings.

“Stable” outlook is on account of expected growth in AUM on the back of healthy capitalisation levels and continued support from the parent company both operationally and financially.



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Key Rating Sensitivities:

Upward Factors

- Substantial and sustained growth in AUM levels while maintaining healthy liquidity, profitability, capitalisation levels and asset quality
- Significant improvement in credit profile of Satin Credit Care Limited (SCNL).

Downward Factors

- Lower than expected growth in AUM levels and or substantial decline in the scale of operations impacting the earnings profile of the company.
- Decline in CRAR levels below 20% and substantial deterioration in the asset quality
- Weakening of linkages with (SCNL) and/or any deterioration in credit profile of SCNL

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Strong Linkages with SCNL

SHFL has strong linkages with its parent i.e. SCNL which can be demonstrated by regular infusion of equity and SCNL has also committed to support SHFL as and when required. SCNL derives operational and financial synergies from its parent company SCNL in the form of technology support and risk management systems, established network, shared brand name and common promoters and directors.

Strong capitalization

The capital structure of SHFL remains healthy, owing to regular equity infusions from its parent company i.e. SCNL. SCNL has infused Rs 265.00 crore in SHFL since inception. The company is comfortably capitalized with CRAR of 59.61% as on 31 December 2024 (48.67% in FY24 (refers for the period 1 April 2023 to 31 March 2024)), has net worth of Rs 271.54 crore and gearing of 1.90x as on 31 December 2024. The current levels of CRAR can help the company grow at 15-20% in the near to medium term without any further capital infusion.



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Strong systems, policies and processes in place

Over the years, SHFL has put in place strong systems, board approved credit appraisal policies and processes in place. SHFL is implementing an ERP software system, which provides end to end solutions in the entire lending process. The system brings with it significant productivity improvements through automation and will help support operational efficiency. The company disburses ~100% of the loans and collections through cashless mode. SHFL tracks data on disbursements and collections on a real-time basis, which aids better decision-making and faster corrective action.

Improved earning profile

SHFLs interest income and PAT levels have increased on the back of increase in AUM which stood at Rs 872.00 crore as on 31 December 2025 (Rs 755.77 crore: FY24 and Rs 505.28 crore: FY23). Interest income and PAT has increased to Rs 70.19 crore and 8.74 crore in FY24 when compared to Rs 52.95 crore and PAT of Rs 8.74 crore when compared to total income of Rs 61.87 crore and PAT of Rs 5.92 crore for FY23. For 9MFY25, SHFL has reported interest income of Rs 66.26 crore and PAT of Rs 2.03 crore.

Key Rating Weaknesses

Average asset quality

SHFL started its commercial operations in November 2017 and hence, the operations are in nascent stages and the portfolio is moderately seasoned. As on 31 March 2024, GNPA and NNPA stood at 0.84% and 0.67% respectively. GNPA and NNPA have further increased to 1.74% and 1.38% in 9MFY25 on the back of seasoning of the portfolio. Infomerics expects the asset quality of SHFL to further moderate along with the seasoning of the portfolio.

Moderate scale of operations due to regional concentration

Despite the growth in AUM, SHFLs scale of operations remains moderate given the regional concentration of operations as SHFL operates in only four states with Uttar Pradesh contributing ~38% of the AUM followed by Rajasthan which contributes 30% of the AUM and



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Haryana which contributes to ~22% of AUM. Going forward, the ability of the company to grow its scale of operations by diversifying geographically, will be a key rating monitorable.

Exposure to inherent risk in the affordable housing segment

The company operates in the affordable housing finance segment, and caters to self-employed customers, engaged in small business activities; these include provision store owners, vegetable and food vendors, small business establishments, auto rickshaw drivers, contractors and labourers. These borrowers have relatively weak credit risk profile, given the volatile nature of income and employment in unorganised segments. In the absence of proper documentation and established credit history, they lack access to formal credit channels. Hence, they are more susceptible to economic downturns. The company plans to diversify its geographic reach, for which it is crucial that it understands the local culture and issues. Furthermore, the low-cost housing finance segment has a short track record of only 7-8 years. Hence, its performance across economic cycles is yet to be demonstrated.

Analytical Approach: Standalone

Infomerics has analysed the standalone financial profile of SHFL and has adopted parent and group criteria by virtue of SHFL being 100% subsidiary of Sating CreditCare Network Ltd (SCNL), Parent/Holding company of SHFL and considering the usage of common brand name "Satin", operational and financial synergies between SCNL and SHFL.

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 \(Financial Sector\)](#)

[Parent & Group Criteria](#)

[Policy on Withdrawal of Ratings](#)



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Liquidity – Strong

SHFL is strongly capitalized with total CRAR of 59.61% and has a Net worth of Rs 271.41 crore as on 31 December 2024. Also, it had adequately matched asset liability profile as on 31 December 2024. Additionally, SHFL had a liquidity of Rs 75.47 crore in the form of cash and bank balances as on 31 December 2024.

About the Company

Satin Housing Finance Limited (SHFL), a housing finance company was incorporated on April 17, 2017, as Public Limited Company is a wholly owned subsidiary of Satin Creditcare Network Limited (SCNL), a BSE and NSE listed company.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Income	61.87	92.31
PAT	5.92	8.74
AUM	505.28	755.77
Total Debt	330.28	463.84
Tangible Net Worth	145.26	210.34
Ratio's		
NIM (%)	6.63	4.74
ROTA (%)	1.50	1.50
Interest Coverage (times)	1.28	1.26
Total CRAR (%)	46.40	48.67
Gross NPA [Stage III] (%)	0.34	0.84
Net NPA [Stage III] (%)	0.27	0.67
Overall Gearing (times)	2.27	2.20

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information:

Rating History for last three years:



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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 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					May 17, 2024	May 03, 2024		March 17, 2023
1.	Term Loans	Long Term	312.87	Withdrawn	IVR A-/Stable	IVR BB+/Negative; INC*	IVR BBB+/Stable (May 05, 2023) IVR BBB+/Stable (Oct 10, 2023)	IVR BBB+/Stable
2.	NCDs	Long Term	20.00	IVR A-/Stable	IVR A-/Stable	IVR BB+/Negative; INC*	IVR BBB+/Stable (May 05, 2023) IVR BBB+/Stable (Oct 10, 2023)	IVR BBB+/Stable
3.	Proposed Bank Loans	Long Term	0.00	-	Withdrawn	IVR BB+/Negative; INC*	IVR BBB+/Stable (May 05, 2023) IVR BBB+/Stable (Oct 10, 2023)	IVR BBB+/Stable

*Issuer did not cooperate; based on best available information

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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.

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/Instrument	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Listing status	Rating Assigned/ Outlook
NCDs	INE02YC08016	17 Dec 2019	14.00%	31 Dec 2026	20.00	Listed	IVR A-/Stable
Term Loans	-	-	-	Up to Dec 2028	312.87	-	Withdrawn

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/len_satinhousing_apr25_0588bbaf54.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

NCD issue of Rs 20.00 crore

Instrument	14% UNSECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURES
Issue Size	Rs 20 Crores
Allotment date	17 Dec-2019
Maturity date	31- Dec- 2026
Coupon rate	14% p.a.
Coupon payment frequency	Semi-Annual
Objects of the issue	Onward lending
Financial Covenants	90+ PAR below 3% Write off ratio less than 2% Minimum CRAR of 15% Debt equity not exceeding 7 times
Security	Unsecured
Listing Status	Listed

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

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.