SMFG IndiaCredit
Pragati Ki Nayi Pehchaan

April 2, 2026

To,
The Manager
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

Sub: Intimation under Regulations 51(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) – Credit Rating.

Dear Sir/Madam,

Pursuant to Regulations 51(2) read with Schedule III, Part B, Para A (13) of Listing Regulations, please note that India Ratings has affirmed the ratings of subordinated debt instrument of the Company as per details given below:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of issue (Billions)	Ratings assigned along with Outlook / Watch	Rating Action
Subordinated Debt	3 May 2016	9.30	30 April 2026	INR 0.21 (reduced from INR 0.96)	IND AAA/Stable	Affirmed

The Rating Rationale dated April 2, 2026 issued by India Ratings in this behalf is attached herewith.

You are requested to take the same on record.

Thanking You,
Yours faithfully,

For SMFG India Credit Company Limited

PANKAJ MALIK Digitally signed by PANKAJ MALIK
Date: 2026.04.02 18:01:23 +05'30'

Pankaj Malik
Chief Financial Officer

India Ratings Affirms SMFG India Credit Company's Subordinated Debt at 'IND AAA'/Stable

Apr 02, 2026 | SMFG India Credit Company Limited (Formerly FULLERTON INDIA CREDIT COMPANY LIMITED) |

Non Banking Financial Company (NBFC)

India Ratings and Research (Ind-Ra) has affirmed SMFG India Credit Company Limited's (SMICC) subordinated debt as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (billion)	Rating assigned along with Outlook/Watch	Rating Action
Subordinated debt*	-	-	-	INR0.21 (reduced from INR0.96)	IND AAA/Stable	Affirmed

*Details in Annexure

Analytical Approach

To arrive at the rating, Ind-Ra continues to factor in strong parentage, support, and managerial and operational linkages with Sumitomo Mitsui Financial Group, Inc. (SMFG, Fitch Ratings Ltd, Issuer Default Rating: A-/Stable; Viability Rating: 'a-') which holds 100% stake in SMICC.

Detailed Rationale of the Rating Action

The rating reflects Ind-Ra's expectation of continued support from its parent, SMFG. The agency anticipates ongoing capital infusion from SMFG along with operational and managerial backing for SMICC. The company also benefits from a well-diversified funding profile, supported by a broad lender base and competitive borrowing costs. The rating further factors in the company's adequate liquidity buffers, underpinned by a stable liability franchise.

However, Ind-Ra notes that SMICC's asset quality remains a key monitorable, given the sizeable proportion of unsecured lending in the portfolio.

List of Key Rating Drivers

Strengths

- Strong parentage
- Diversified funding sources
- Adequate capitalisation for current Scale of operations
- Credit cost covered by operating buffers

Weaknesses

- Asset quality remains monitorable given unsecured exposure in portfolio

Detailed Description of Key Rating Drivers

Strong Parentage: The rating reflects Ind-Ra's expectation of strong parental support from SMFG, which holds 100% stake since its acquisition in March 2024. SMFG's involvement is evident through its representation on SMICC's board and senior committees, along with active participation in strategic planning and key decisions. SMICC's board has eight directors, of which three directors are non-executive directors, one is managing director and chief executive officer and four are independent directors.

The non-banking financial company's (NBFC) lending platform is considered core to the SMFG group to focus on the retail business, while the bank focuses on wholesale lending. Ind-Ra believes SMFG, a global financial conglomerate, provides strength to SMICC's franchise and brings in global experience of operating in the consumer finance, and small and medium enterprises space. SMFG has expanded its footprints in the Asian markets such as the Philippines, Indonesia, and Vietnam. SMICC's acquisition was in line with its strategy of expanding into markets and establishing a retail lending franchise.

SMICC has been consolidated with SMFG's balance sheet and also benefits on the borrowing front through its ability to leverage on SMFG's global banking relationships. The shared brand name provides support to the company. The sizeable INR43 billion equity infusion in FY25 (including INR4.5 billion down streamed to SMFG India Home Finance Co. Ltd (SMHFC) underscores SMFG's demonstrated commitment.

Diversified Funding Sources: SMICC maintains a diversified funding profile, supported by borrowing lines from multiple banks. As of 9MFY26, term loans and working capital facilities accounted for 49% of total borrowings, followed by external commercial borrowings (ECBs; 23%), non-convertible debentures (NCDs; 21%), and a limited reliance on commercial paper at 6% (9MFY25: 3%; 9MFY24: 2%; FY23: 6%). During 9MFY26, the company mobilised INR167.62 billion (excluding securitisation) across term loans, working capital loans, NCDs, commercial papers (CPs) and ECBs. In the past year, the funding mix shifted towards ECBs and CPs, as SMICC opportunistically leveraged low-cost funding avenues, while dependence on NCDs and bank loans moderated. Going forward, SMICC plans to prioritise domestic bank borrowings and capital-market instruments, guided by cost considerations and policy thresholds. The company has also demonstrated strong debt-raising capability across a diverse investor base, including banks, mutual funds, pension funds, development finance institutions, and insurance companies.

Adequate Capitalisation for Current Scale of Operations: SMICC's leverage increased slightly to 4.6x in 9MFY26 (FY25: 4.0x; FY24: 6.1x), following SMFG's infusion of equity worth INR43 billion in two tranches—INR13 billion in April 2024 and INR30 billion in December 2024. This capital strengthened the balance sheet and positioned the company to pursue growth more confidently. SMICC remains adequately capitalised, with Tier-1 capital at 16.6% in 9MFY26 (FY25: 19.5%; FY24: 13.4%; FY23: 14.0%).

Ind-Ra expects SMFG to continue providing commensurate capital support to sustain growth, with the management indicating a significant infusion in FY27. Ind-Ra believes SMFG will extend timely equity support to help SMICC scale its franchise and absorb potential asset-side stresses.

Credit Cost Covered by Operating Buffers: SMICC's yields strengthened to 22.2% in 9MFY26, driven by a higher share of its high-yield digital portfolio (FY25: 21.8%; FY24: 20.9%; FY23: 20%). This supported an improvement in net interest income to total tangible assets, which rose to 12.2% in 9MFY26 (FY25: 11.7%; FY24: 10.7%; FY23: 10.2%; FY22: 9.1%). Operating expenses remained broadly stable at 7.8% of total assets in 9MFY26 (FY25: 7.8%; FY24: 6.6%), as ongoing investments in technology have been offset by operating efficiencies, preventing any significant rise in opex.

SMICC's credit costs increased to 5.7% in 9MFY26, primarily due to regulatory developments. Historically, under IND AS 109, the company factored in expected recoveries under the first loss default guarantee (FLDG) arrangements when calculating expected credit loss (ECL). However, the RBI's directive to exclude credit enhancement from default loss guarantee (DLG) arrangements in ECL computation by 30 September 2025, resulting in an additional provisioning, thereby elevating credit costs. As a result, pre-provision operating profit (PPoP) coverage of credit costs moderated to 1.1x in 9MFY26 (FY25: 1.26x; FY24: 1.63x; FY23: 2.61x; FY22: 1.1x). Nonetheless, its PPoP continues to offer an adequate buffer to absorb incremental stress.

Asset Quality Remains Monitorable Given Unsecured Exposure in Portfolio: SMICC continues to maintain a high share of unsecured lending, primarily due to its personal loan offerings across urban and rural segments. The unsecured book accounted for 53.79% of the consolidated assets under management (AUM) in 9MFY26 (FY25: 53.24%; FY24: 54.28%; FY23: 56.24%). The digital loan portfolio rose to 24.96% of consolidated AUM in 9MFY26 (FY25: 19.54%; FY24: 15.46%; FY23: 14.41%; FY22: 5.11%). As of 9MFY26, the portfolio comprised loan against property (LAP; 29.5%), personal loans (24.8%), housing loans (11.5%), with the balance comprising commercial vehicle and two-wheeler loans.

Its write-offs elevated to 7.1% of the loan book in 9MFY26 (FY25: 7.3%; FY24: 6.0%; FY23: 6.2%). Within SMICC, LAP delinquencies in the rural segment increased sharply, with PAR30+ rising to 9.06% in 9MFY26 (FY25: 5.9%; FY24: 7.9%). Urban LAP delinquencies also weakened, with PAR30+ rising to 3.75% (FY25: 2.96%). In response, the company strengthened its technical evaluation processes by forming an independent technical assessment team reporting directly to the senior risk leadership. Delinquencies increased in the commercial vehicle portfolio, with its gross non-performing assets (NPAs) rising to 5.3% in 9MFY26 (FY25: 3.9%; FY24: 2.9%). Despite this, SMICC maintained healthy Stage 3 provisioning of 51.1% in 9MFY26 (FY25: 48.8%; FY24: 49.6%; FY23: 53.0%).

The company wrote off INR23.23 billion in 9MFY26 (7.1% of FY25 AUM) but maintained an overall collection efficiency of 94% (including overdues). Its gross stage 3 assets increased to 2.5% in 9MFY26 (FY25: 1.9%), while recoveries from written-off accounts stood at INR7.22 billion, consistent with SMICC's historical 20%–25% recovery rate. Unsecured loans accounted for the majority of the write-offs, in line with SMICC's 120-days-past-due (dpd) write-off policy for these products. On the underwriting front, SMICC has shifted focus to strengthening the secured portfolio, tightening norms in the group loan and LAP segments. For SMHFC, asset quality remained relatively stable, with gross NPAs at 2.7% in 9MFY26 (FY25: 2.4%; FY24: 2.6%; FY23: 3.7%). The management aims to increase the share of secured lending in the medium term.

Liquidity

Adequate: SMICC's liquidity is comfortable, with sufficient cash and bank balance, and unutilised bank lines to meet at least three months of debt repayments**.** As per Ind-Ra's calculations, the structural asset-liability management (adjusted for pending disbursement and lines of credit in inflows and outflows) at end-December 2025 did not have any negative cumulative mismatch. Additionally, SMICC had unutilised bank lines of INR49.65 billion at end-December 2025. As on 31 December 2025, the company has maintained adequate liquidity of INR58.64 billion, which was sufficient to meet the total debt repayment obligations amount to INR35.54 billon between January and February 2026. SMICC has been able to manage its liability structure by raising long-term borrowings (three-to-four years) to match the average tenor of its assets. SMICC can also use securitisation/direct assignment as the route to manage liquidity needs due to the retail nature of its loan book. Furthermore, the unutilised bank lines provide additional comfort over and above the liquidity buffer.

Rating Sensitivities

Positive: Not applicable

Negative: Future developments that could, individually or collectively, lead to a negative rating action are:

- a change in the majority ownership or a decline in support expectation from SMFG
- sustained deterioration in the operating performance of SMICC
- a multiple-notch downgrade in the rating of SMFG

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 SMICC, either due to 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

Formed in 2005, SMICC is a systemically important non-banking financial company. At end-December 2025, on a consolidated basis, the AUM stood at INR641 billion while SMICC's standalone AUM totalled INR517 billion, comprising personal loans, mortgage loans, commercial vehicle loans and rural lending. On 31 December 2025, SMICC had a network of 1,003 branches catering to 3.1 million active customers.

Key Financial Indicators

Particulars (Consolidated)	**FY25**	**FY24**
Tangible total assets (INR billion) *	616	478
Tangible equity (INR billion) *	98.7	52.5
Profit after tax (INR billion)	4.4	6.6
Return on average assets (%)	0.8	1.5
Tier 1 capital (%) (standalone SMICC)	19.5	13.5
Source: SMICC, Ind-Ra's analysis, *adjusted for deferred tax asset and intangible assets		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (billion)	Current Ratings/Outlook	Historical Rating/Outlook			
				4 April 2025	5 April 2024	6 April 2023	8 April 2022
Subordinated debt	Long-term	INR0.21	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Subordinated debt	Moderate

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

Annexure

Instrument Type	ISIN	Date of Issue	Coupon (%)	Date of Maturity	Size of Issue (billion)	Rating/Outlook
Subordinated debt	INE535H08595*	10 June 2015	9.50	10 June 2025	INR0.25	WD
Subordinated debt	INE535H08678*	25 February 2016	9.30	25 February 2026	INR0.25	WD

Subordinated debt	INE535H08686*	23 March 2016	9.25	23 March 2026	INR0.25	WD
Subordinated debt	INE535H08694	3 May 2016	9.30	30 April 2026	INR0.21	IND AAA/Stable
				Total#	**INR0.21**	

Source: NSDL, Company
* Paid in Full
# Does not include withdrawn ISINs.

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About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Financial Institutions Rating Criteria

Non-Bank Finance Companies Criteria

Rating FI Subsidiaries and Holding Companies

Rating of Financial Institutions Legacy Hybrids and Sub-Debt

The Rating Process